Saturday Night

Canada's Magazine of Business and Contemporary Affairs

APRIL 13TH 1957 20 CENTS

The Chartered Banks: Too Much Control Or Too Little?

BY JOHN D. PATTISON

★

Axel In Wonderland Or Swedish Columbia

BY STUART KEATE

★

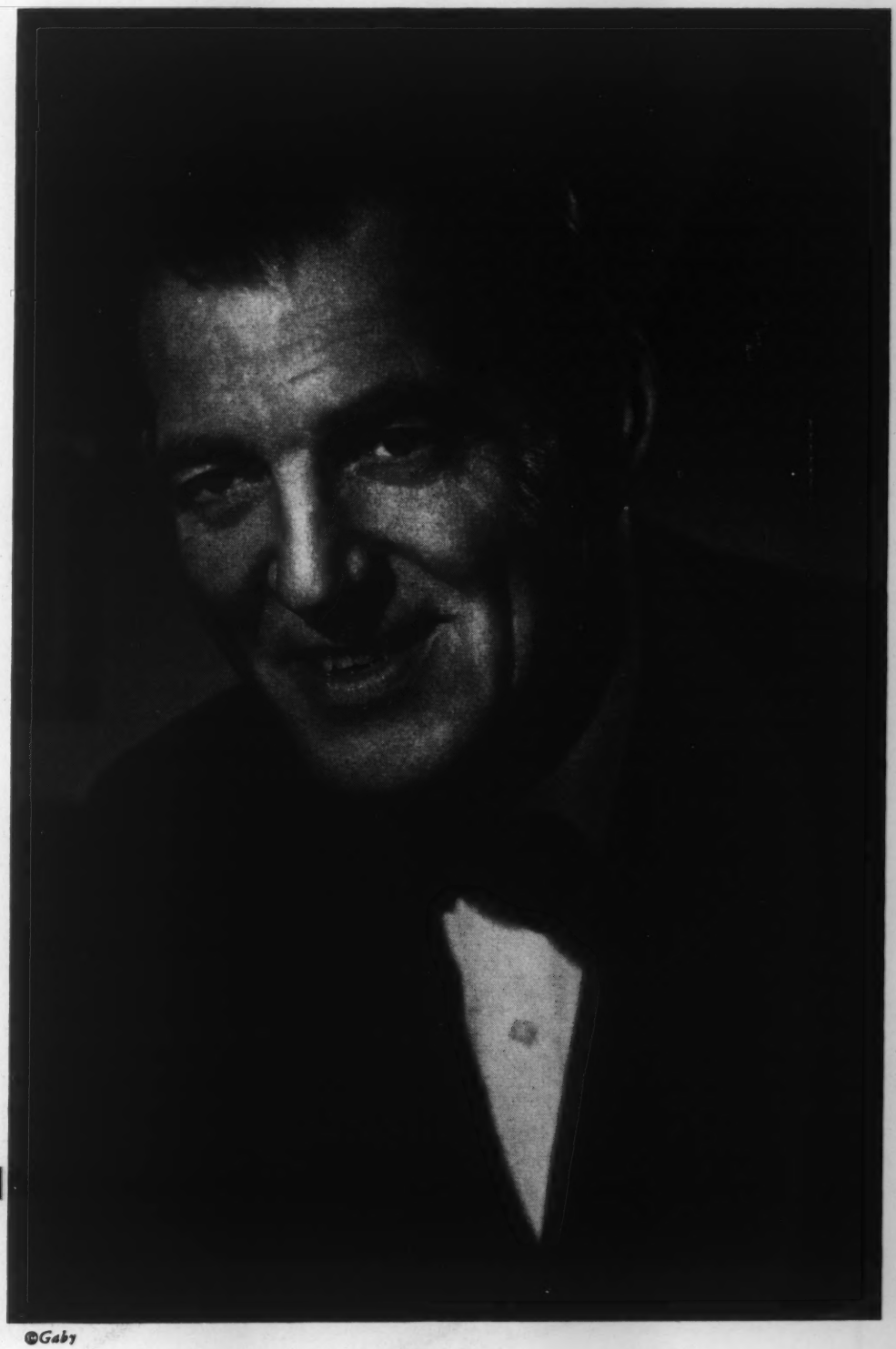
Canada's Creeping Me-Too Sickness

BY MORLEY CALLAGHAN

★

Empire, Commonwealth And What Next?

BY MAXWELL COHEN



©Gaby

Joe McCulley: Page 20

ARGENTA brand, Emba* natural grey mutation mink

Outstanding anywhere . . . on the most fashionable women from Newfoundland to Vancouver, nothing could be so distinctively beautiful as "Argenta*" brand, Emba* natural grey mutation mink. The soft touch of this precious fur, and the deep *natural* bred-in colour will bring you enduring joy and pride. You will find all eight brands of Emba mutation mink at foremost furriers in Canada. Look for the silk label bearing the Emba trade-mark and the secondary trade-mark "Argenta" if your choice is natural grey mutation mink. It is your guarantee that you have the world's finest.

*Trade-marks Mutation Mink Breeders Association

Virginia Thoren

versatile

[fast and economical, too]

Noted for its speed, accuracy and resulting cost savings, the Burroughs Sensimatic can take on any assignment in your accounting system and whip through it on the double.

Secret of this proved mastery is the exclusive sensing panel that makes the Sensimatic the most versatile accounting machine you can buy. Just a flick of the knob gives you a choice of four jobs. And your Sensimatic automatically zips through the chosen procedure, makes decisions and complicated motions *for* the operator, sharply reduces any chance of mistake. To handle more jobs, you just insert another of the interchangeable sensing panels.

Because the Sensimatic is so fast, so error-free, it quickly pays for itself in time and effort saved. And there's no obsolescence. To change your accounting system, you merely change sensing panels. That's all.

See the Sensimatic in action at our nearby branch office. Six series, 2 to 19 totals, to choose from. Burroughs Adding Machine of Canada, Limited. Factory at Windsor, Ontario.

Burroughs

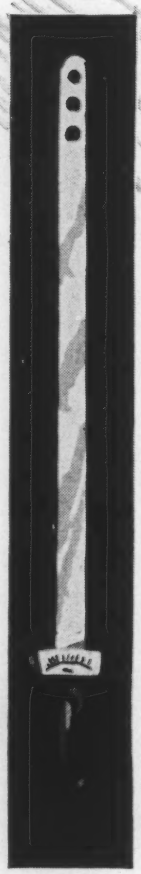
"Burroughs" and "Sensimatic"—Reg. TM's.

BURROUGHS SENSIMATIC ACCOUNTING MACHINES

we get the **inside story** *on humidity*

so that you get better paper to print on

The sword-shaped humidity-tester is a busy piece of equipment in Provincial's fine-paper mills. It enables us to keep a constant check on the relative humidity of paper awaiting trimming and delivery to the customer. Keeping the stacked sheets of paper at the most desirable humidity helps prevent the shrinking or expansion during the press-run that can take the edge off a fine printing job. This is just one of the many ways in which Provincial's laboratory technicians keep quality under constant control, to ensure better results for you, when you use our fine papers for your printed messages!



another reason why
more fine Canadian printing appears on Provincial Papers than on any other kind

PROVINCIAL PAPER LIMITED

Toronto • Montreal • Winnipeg

April 13, 1957

Saturday Night

VOL. 72, NO. 8 ESTABLISHED 1887 WHOLE NO. 3285

Departments:

Letters, 4
Ottawa Letter, 8
Persona Grata, 20
Travel, 22
Gold & Dross, 29
Books, 34
Your Taxes, 48
Editorials, 52

Features:

Axel in Wonderland
by Stuart Keate, 13

Free TV Advertising
by Bob Willett, 16

Canada's Creeping Me-Tooism
by Morley Callaghan, 18

Our Banks: Too much control?
by John D. Pattison, 24

Editorial Board: J. A. Irving, E. J. Pratt
Editor: Gwyn Kinsey
Managing Editor: Herbert McManus
Business Editor: R. M. Baiden
Assistant Editor: Paul Nowack

Contributing Editors: Maxwell Cohen (Foreign Affairs), Jim Coleman, Robertson Davies, Paul Duval, Max Freedman (Washington), Hugh Garner, Hugh MacLennan (Montreal), Beverley Nichols (London), Mary Lowrey Ross, John A. Stevenson (Ottawa), Anthony West (New York).

Subscription Prices: Canada $2.00 one year; $3.00 two years, $4.00 three years; $5.00 four years. Outside Canada $3.00 per year. Newsstand and single issues 20¢. Authorized as second class mail, Post Office Department, Ottawa. Published and printed by Consolidated Press Limited, 1517 Mountain St., Montreal, Canada. Editorial and Advertising Offices, 73 Richmond St. W., Toronto 1, Canada.

President and Publisher: Jack Kent Cooke; Vice-Presidents, Hal E. Cooke, Neil M. Watt, E. R. Milling; General Manager, Gordon Rumgay; Assistant Comptroller, George Colvin; Secretary, William Zimmerman, Q.C.; Circulation Manager, Arthur Phillips; Director of Manufacturing, E. M. Pritchard.

Director of Advertising: Donald R. Shepherd. Representatives: New York, Donald Cooke, Inc., 331 Madison Ave.; Los Angeles, Lee F. O'Connell Co., 111 North La Cienega Blvd., Beverly Hills, Cal.; San Francisco, William A. Ayres Co., 233 Sansome Street; London, England, Dennis W. Mayes Ltd., 69 Fleet Street, E.C. 4.

PICTURE CREDITS: Cover, © Gaby; Page 3, © Karsh, Press News Ltd., Ashley & Crippen, Milne Studios; Page 8, Capital Press; Page 13, Victoria Times; Pages 14, 15, UK Information Office, Wide World; Pages 16, 17, CBS Television; Pages 18, 19, National Ballet Company, Wide World, Miller; Pages 20, 21, Herb Nott, Fraser McIntosh; Pages 22, 23, French Government Tourist Office, NY; Page 24, © Karsh, Photographic Survey Corp., Wide World; Page 34, Toronto Public Library; Pages 36, 37, Ryerson, McClelland & Stewart, Collins; Pages 40, 41, Collins, Oxford; Page 43, Ashley & Crippen; Page 50, Victoria Times.

Stuart Keate

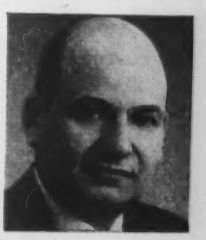
Publisher of the *Victoria Times*, Mr. Keate is also a much-sought after public speaker and a baseball enthusiast. He tells on Page 13 about the fantastic Wenner-Gren deal with the BC Government.

Morley Callaghan

Does Canada have a one-class society? Morley Callaghan, author, TV personality and sharp-tongued observer of Canadian customs, thinks so — and tells why, in bristling language, on Page 18.

John D. Pattison

Banking theories have recently sparked lively arguments. Mr. Pattison, who has his say on Page 24, is a Toronto economist—also a graduate of Queen's University and former RCAF officer (DFC and Bar).



Garfield P. Smith, CA.

Tax queries by readers are answered in every issue by Mr. Smith. He is a noted lecturer on tax matters and his syndicated articles on the subject have appeared regularly in daily newspapers across Canada.

Springtime Is Spray Time
for tree beauty this summer

There was more stirring in your trees this morning than a hungry squirrel or a nestling robin. Your trees are awakening to the leafy beauty you will enjoy all summer. Give them the spraying they need to reach their peak of loveliness.

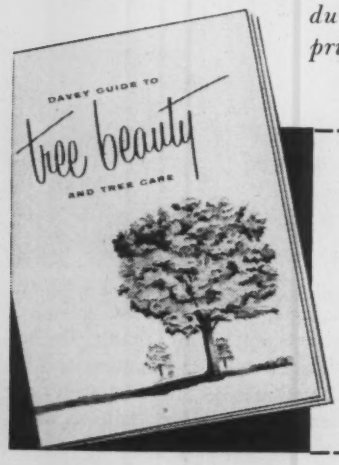
Scientific pre-summer care by Davey includes not only expert spraying, but pruning away of dead and winter-damaged limbs, too. For your safety, as well as for the beauty and health of your trees.

Of course, a professional feeding with Davey's own especially prepared tree food will do much to assure lush foliage and resistance to a possible summer drouth. If you cannot find "Davey Tree Experts" in your phone book, write to:

DAVEY TREE EXPERT COMPANY OF CANADA, LTD.
10 Jethro Rd., Downsview P. O., Ontario • Cherry 1-7191 • 70 Carling St., London • 3-9943

THIS BOOK FULL OF DO'S AND DON'TS

This lavishly illustrated 36-page book by Davey Tree Expert Co. is a special service to home-owners. Lists trees for spring color, for low screening, for difficult locations; tips on tree planting and care; how to prevent damage during construction . . . delightful reading and priceless suggestions.



Special Offer . . . ONLY 25¢

THE DAVEY TREE EXPERT CO.
111 South Water Street, Kent 8, Ohio
Enclosed is 25¢ in coin. Please send me a copy of, "Guide to Tree Beauty and Tree Care".

Name_____

Address_____

City_____ Zone____ Province_____

Letters

Lord's Day

. . . To borrow a quote from Mr. Jenkins: "The sabbath was made for man", which includes *all* men. There are business men who—given the opportunity—can and do have their workers on the job on Sundays where it is by no means a matter of "necessity or mercy". Not all workers enjoy the paternal wing of the labor union.

While in no way upholding the intolerant spirit one suspects behind the Lord's Day Alliance and such prohibitive bodies, we ought not to lose sight of the fact that the "seventh day" needs protection against the avarice of non-religious business men. Hypocrisy is no less despicable in a business organization than in a church . . .

TORONTO E. M. BRITNEY

Positive Thinking

I refer to Robertson Davies' article on *The Fall*. Glibness can be met effectively only with glibness—so here goes. Albert Camus is not "negative". He has set forth his positive beliefs over and over again in articles and essays . . . Camus believes that the meaning of life lies in an understanding and an acceptance of the absurdity of man's condition. This understanding is not easy to achieve, and the task is not made any easier by the incoherent presbyterian warblings of hacks like Robertson Davies. In fact, articles of this kind do much to obscure the admirable effort of clarity made by men like Camus . . .

MONTREAL ROBERT J. MCKENZIE

Succession Duties

Your Mr. Garfield P. Smith C.A. has given an answer on the status of an insurance policy re succession duties, if premiums have been paid by the wife, that is not exactly correct.

This answer is one that has been promoted by the insurance fraternity. We have consulted with the Succession Duty branch, trust companies, and National Revenue and they have definitely stated that in order for the proceeds of an insurance policy to escape succession duties a wife must prove conclusively that the funds were her own (private income) and that the premiums were not paid out of gifts from her husband . . .

OTTAWA T. H. DOUGHERTY

Editor's note: Mr. Smith replies, "In my article I neither suggested nor implied that the Succession Duties Act could be circumvented by a person giving his wife the amount of money required to pay the insurance premium, and then having her pay

the premium with it. Certainly, if it could be shown that the husband did in fact pay the premium, the insurance would be taxed accordingly. There will be many cases where it will be obvious that the premiums were in fact paid by the husband, and others where they will obviously have been paid by the wife. Undoubtedly, a good many cases will not be so obvious, and each will have to be decided on its own merits. It should be noted that the Income Tax Act contains specific provisions affecting the tax liability resulting from transfers between husband and wife. Similar provisions are not to be found in the Succession Duties Act."

Engineers Ignored

I wish to take exception to . . . "On the *Titanic* Disaster" by Bergen Evans. In any reference to the sinking of the *Titanic*, no mention is ever made of the engineers of the vessel, who all perished in this disaster. The engineers of a ship are as much officers as the captain or any of the deck officers. I remember well, at the time of the disaster a Member of Parliament asking in the House if the *Titanic* was a sailing vessel "because I have never seen in the papers any mention of engineer officers in connection with the ship." In Southampton, England, there is a larg bronze monument put up in memory of these brave men by their brother engineer officers.

KELOWNA R. P. WILLIAMS

Flippant?

There is much that is good and interesting in your paper, but I am disappointed in the flippant attitude of some of the articles you publish. For instance, last year an article on political corruption in the Province of Quebec and this year an article on the Lord's Day Alliance both seem flippant and irresponsible, and without regard to the need to strengthen the moral fibre of our society . . .

OTTAWA DONALD M. THOMSON

Third Term

Mr. West states (in "U.S. Constitutional Crisis"): "The first thing the Republicans had done . . . was to indulge themselves in a piece of ritual magic . . . in short they outlawed the third term . . ." In the first place, it was a clear majority of the voters of the United States that elected Mr. Eisenhower in 1952 and again in 1956. Since it is a matter of record that there are more registered Democrats than Republicans, it is evident that a large number of "independents" must have supported the Republican ticket. Apart from this, however, the abolition of the third term was approved by the necessary majority of the States and adopted in 1951. Let me refer you to *Introduction to American*

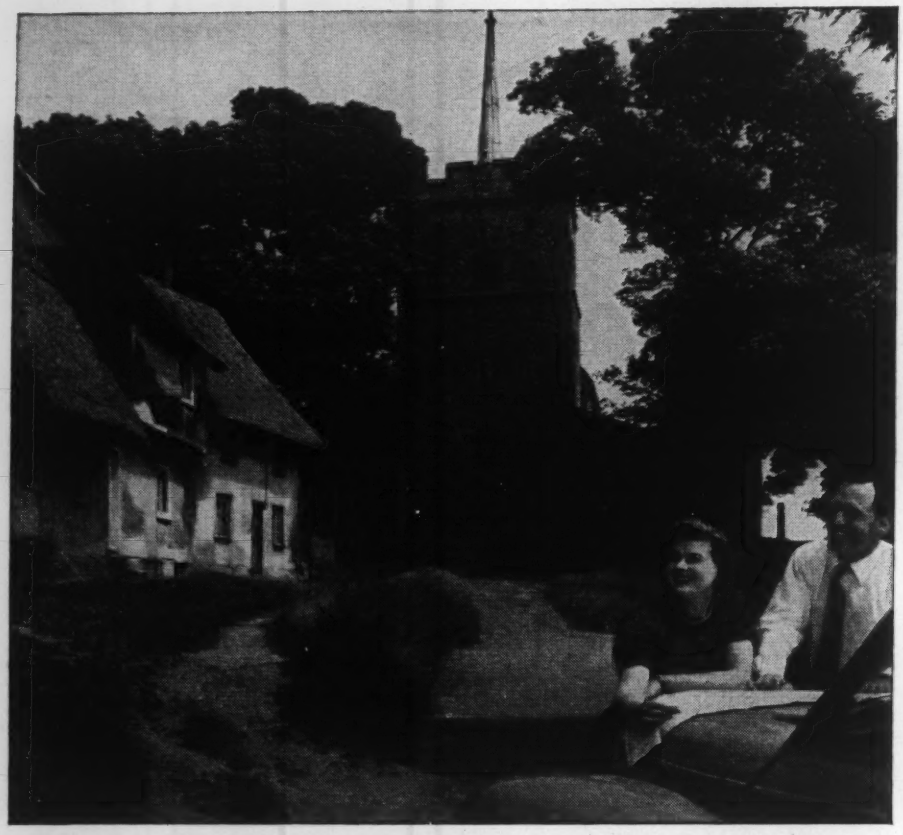
World-famous for their supreme quality...

The unqualified approval of all the continents has made Craven 'A' the largest selling cork-tip cigarettes in the world. Cool to the tongue and kind to the throat . . . smooth and flavourful . . . Craven 'A' are made from the world's costliest tobaccos.

will not affect the throat

Craven 'A'

CRAVEN PLAIN
without cork tip —
same fine quality as Craven 'A



"Fifteen Fabulous Days in Britain
... and My Whole Trip Cost Only $490*"

says this Ontario business girl shown here at the centuries old village of Wendens Ambo deep in the heart of the English countryside

It's easy to see why more Canadians than ever are planning to vacation *this year* in England, Scotland, Wales and Northern Ireland! They know that, *this year,* you can enjoy a full fifteen days in Britain for as little as $490* — including your round-trip fare! They know that *this year* vacation dollars will stretch agreeably far in Britain — especially in the thriftier, uncrowded Spring and Fall. They know that, *this year,* you can hire a self-drive car for 11¢ a mile — gas and all — with special gas allowances for visitors and virtually no limit to the motoring you can do! So *make this year your year* for that trip to Britain! Your Travel Agent will help you plan itineraries and arrange hotel and travel reservations. Have a chat with him — today!

**From Toronto, by surface $490; by air $520*
From Vancouver, by surface $630; by air $690

FOR ALL INFORMATION ABOUT BRITAIN AND FOR FASCINATING FULL COLOUR BOOKLET, WRITE TO
THE BRITISH TRAVEL ASSOCIATION (DEPT. SN/24)
90 ADELAIDE ST. WEST, TORONTO, ONT.

There's a thrill around every corner in Britain! Here, for example, in Kilroot, County Antrim, Northern Ireland, stands the cottage of Dean Swift, author of 'Gulliver's Travels'.

COME TO BRITAIN

Government, by Professors Frederic A. Ogg and P. Orman Ray (New York: Appleton-Century-Crofts, Inc., 1951) Chapter XIX, p. 381 ff. On page 385 you will note that the Twenty-second Amendment to the U.S. Constitution was adopted by a House vote of 285 to 121 (more than the necessary two-thirds majority), and that five weeks later the Senate approved 59 to 23. Of particular interest is the statement: "In the course of debates on the amendment, *both Republicans and Democrats* professed to desire to exclude party politics . . ." (my italics). These events occurred in 1947—some years before Mr. Eisenhower became a political figure . . .

Mr. West refers to "last year's narrow defeat of the Bricker amendment." In fact, however, the Bricker amendment was defeated by a healthy majority.

ARLINGTON, VA. R. A. CARSON

Grandstand Show

. . . If the purpose of the Exhibition is "to entertain as many people as possible" then you are right and Mr. Arthur is right and I am wrong and many people like me are wrong. If this is the case the only improvement I can suggest is to triple the budget, enlarge the grandstand and turn over production of the show to Rogers and Hammerstein.

On the other hand there are some people who have the odd idea that the Canadian National Exhibition was founded for the purpose of showing to Canadians (and to any other people who cared to look) some of the products, skills and culture (if you'll excuse the word) of this country of ours. For years the Exhibition did function with this object in mind. Gradually, however, the type of thinking that sways your editorial writer displaced the original line of thought: if it was bigger it must be better, if it came from the U.S. it must be automatically better. Under this Tin-Pan Alley school of thought, the Exhibition lost it's identity; it became another giant carnival . . .

TORONTO B. COADY

Cultural Cross

The earmarking of an astronomical $100 million for the arts, humanities and social sciences is woolly enough, but the suggestion that wealthy people will add to the kitty (which will still not be big enough to satisfy the prospective recipients' seemingly insatiable maws) is, to the man on the street, insane to say the least, especially if the fund is to become as you hint, a public trough for the feeding of Arty Bums (presumable bearded). To the common man, like myself, with no cultural leanings, it suggests paraphrasing William Jennings Bryan's famed "Free Silver" speech . . . "Is the Canadian taxpayer to be crucified on a Cross of Culture?" . . .

KNOWLTON, QUE. G. R. ALLERTON

CANADIAN OIL COMPANIES, LIMITED

HIGHLIGHTS OF 1956 ANNUAL REPORT

WHITE ROSE

★ Sales—gallons	359,700,000	up	14.5%
Crude Oil produced—barrels	1,164,000		
Crude Oil processed—barrels	9,049,000	up	23%
★ Net Profit	$3,762,000	up	34%

★ Net Profit Per Common Share

1956—on 1,839,230 shares outstanding December 31, 1956	$1.80
1955—on 1,805,553 shares outstanding December 31, 1955	$1.30

Working capital	$ 18,400,000
Current ratio	2.5 to 1
Capital and exploratory expenditures for year	$ 11,000,000
Property, plant and equipment—net book value	$ 60,000,000
Total assets	$100,000,000
Crude Oil reserves—barrels	18,000,000
Exploratory leases and rights—net acres	680,000
Interest in wells	210

Participation in drilling wells	Oil	Dry	Total
Exploratory wells	11	21	32
Development wells	23	1	24
Total wells	34	22	56

Number of shareholders	12,139
% shares owned in Canada by Canadians	93%

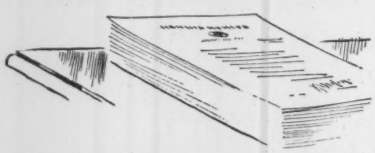
WHITE ROSE

CANADIAN OIL COMPANIES, LIMITED

Gestetner
SUPREME IN ITS FIELD

"Five years ago, we chose Gestetner for dependability"

"I could fill a book with reasons why we chose Gestetner. It does such high-quality work year after year—it's fast—always ready for use—never lets you down. I think I'd give pride of place to the Controlled Inking system—ink goes precisely where you want it. I don't know any other Duplicator whose inking is so efficient and clean."



Besides Duplicators in models to suit every need, Gestetner supplies Stencils for typewriter or brush, as well as Photo, Electronic and Whiteprint, Colored Inks, Pens and Guides for ruling and lettering, Shading Plates and the Gestetner-Scope for special work.

Let our Personal Contacts Manager send you this useful booklet showing how GESTETNER can reduce work and save money for you.

GESTETNER (CANADA) LTD.
117 KING STREET WEST, TORONTO

Please send me your new booklet "30 Ways" without obligation.

NAME.....

ADDRESS.....

..... SN4-57

Ottawa Letter

by John A. Stevenson

Liberal GOM and After

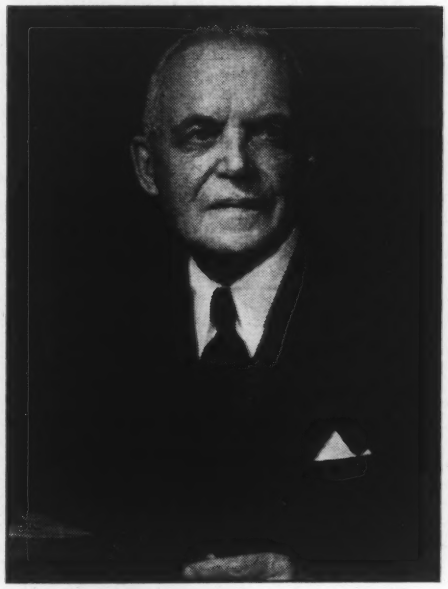
CENTRAL FIGURE in the election campaign now getting under way is, of course, Prime Minister St. Laurent, who has now reached the status of "Grand Old Man", an accolade whose bestowal has been comparatively rare in the world of politics.

The title was first invented in Britain for the glorification of Gladstone, the great Liberal statesman, and the only other British leaders who have earned it have been the 3rd Marquess of Salisbury and Sir Winston Churchill. In the United States, the relatively brief reign of Presidents has made its acquisition difficult, but Washington, Jefferson and Andrew Jackson certainly deserved it. South Africa and Australia have each in their politics produced one "Grand Old Man", in Field Marshal Smuts and W. M. Hughes.

Canada has had a pair of Grand Old Men, Sir John Macdonald and Sir Wilfrid Laurier. Sir Robert Borden retired too early from public life to win the honor and, while Mackenzie King was in his later years called "The Old Man" by his associates, there was an absence of grandeur in his character, which denied him the full title.

It is to the credit of Mr. St. Laurent that he has joined this eminent company after a belated entry into politics and with a poor endowment of some of the gifts (e.g. oratory) which are deemed essential for success in politics. He has never been a first-rate parliamentarian or a great master of the arts of politics. He has been extraordinarily fortunate in the coincidence of his tenure of power with an era of abnormal prosperity and with an absence of the sort of critical issues that can sharply divide a country.

He has ruled in a time when passive government suited the temper of a people well satisfied with prosperity and his temperament has been perfectly attuned for supplying it. Without being a reactionary, who sees danger in any change, he has a natural conservative bias, which makes him sceptical of the need for or the value of drastic reforms. He has been willing only to seek remedies for obvious flaws and injustices in our economic and social systems, and has failed to use his commanding power to deal effectively with such pressing problems as the reform of the Senate and the revision of our harsh and antiquated divorce laws. Moreover, he has been too little concerned with the economical stewardship of the nation's finances and has never applied a curb to the extravagances of Ministers — factors which have helped to keep taxation at an onerous level.



The PM: A merited accolade.

Mr. St. Laurent's great assets, which have helped him to win his huge majorities, have been his high character, his assiduous devotion to his duties and his friendly ways. By earning the respect of his political opponents, he has smoothed away the bitter asperities which had developed in our politics during the regimes of Mr. King and Lord Bennett. Towards these opponents he has been fair and even on occasions generous, and he has never been afraid to admit the validity of constructive criticism.

It is well known in Ottawa that in 1955, when Mr. Howe was bent upon beating down the resistance of the Opposition to his retention of autocratic powers as Minister of Defence Production, Mr. St. Laurent, after listening to the arguments, decided that the case against Mr. Howe's demands was unanswerable. Summoning Mr. Drew to a private conference, he offered concessions which made the legislation ac-

ceptable to the Opposition, and presented his formidable Minister with a fait accompli against which resignation was the only possible protest.

He has shown much more enthusiasm for international organizations such as NATO and the UN than for the older institution of the British Commonwealth, but his scotching of isolationist sentiment in French-Canada has been a beneficial service.

Accordingly, the advertising executives and publicists entrusted with the publicity of the Liberal party in the campaign, have abundant material for advertising Mr. St. Laurent as the "Grand Old Man" of Liberalism, who, having given the country creditable leadership for many years along paths of high prosperity, has earned the right to a final farewell mandate for rounding off his distinguished career.

The power of such an appeal cannot be disregarded, but its merits demand careful examination by all voters who are not hardboiled Liberal partisans.

If, as many think, Mr. St. Laurent is weary of the burdens of office and intends to escape from them soon after the election, then the appeal will have a deceptive flavor, because it will divert the attention of the public from any proper appraisement of the qualifications of his potential successors, Messrs. Pearson, Harris and Martin. If, on the other hand, he intends to remain in office for at least several years, then it should not be forgotten that the final spells of power given to other "Grand Old Men" have usually done no good to their country and have brought disaster to their own party.

The Conservative party drained the last spark of vitality out of Sir John Macdonald to carry the election of 1891, and after five years of office were in the shades of opposition for 15 years. In Sir Wilfrid Laurier's last election the Liberal party suffered the worst defeat in its history. In Britain Gladstone, after winning his last victory in 1892, had to retire exhausted before a defeat in Parliament sent his party into opposition for 11 years. The last election won by old Lord Salisbury, was followed by a disastrous débacle for the British Conservative party in the contest of 1906. So there is an element of danger for a political party in claiming a fresh mandate on the strength of the virtues and services of an elderly statesman whose physical powers are obviously waning, on the ground that he cannot be adequately replaced.

Mr. St. Laurent's recent speech at Hamilton was clearly the curtain-raiser for the drama of Liberal accomplishments, which will be presented to the voters during the campaign. His claim of credit for his party as the architect of unprecedented prosperity was advanced with becoming modesty. There were glowing forecasts of better days to come; there was the suggestion that the Liberals were the only

BY APPOINTMENT TO HER MAJESTY THE QUEEN WEATHERPROOFERS

Carefree and comfortable in a 'Burberry' topcoat

HERE'S a topcoat that's every inch a 'Burberry'. Distinctively tailored in the true English tradition, yet cut in this-side-of-the-Atlantic style for extra smartness. Superbly fashioned and finished in rich hand-woven Irish Tweed. Enjoy the luxury of being 'Burberry'-dressed . . . see this magnificent topcoat at your nearest *good* men's store.

Always look for the 'Burberry' label—your guarantee of the genuine garment.

It's high time YOU had a 'Burberry'

The world's finest topcoat

Canadian Representatives:
THE J. S. JEFFRIES COMPANY
64 Wellington Street West Toronto.
Agents in all the principal towns in Canada.

HINE

IMPORTED FROM FRANCE

five star COGNAC BRANDY

ESTABLISHED 1763

'Viyella'

Socks for Men

"WASH AS WOOL . . .
IF IT SHRINKS WE REPLACE"

Because 'Viyella' Socks are shrink resisting, they wear longer, with fewer holes and less darning. 'Viyella' Socks are outstanding for value, comfort and faultless fit. Sock washing worries vanish when the men in the house wear 'Viyella' Socks, as each pair carries a foot rule for measuring before and after washing.

Ankle Length 1.25
Standard Length 1.50

In black, white, plain colours, light shades and heather mixture in 6.3 rib.

'Viyella' is entirely British made—the yarn is spun by William Hollins & Company Ltd., manufacturers of 'Viyella' since 1784, and the socks are knitted to perfection in Great Britain.

at Men's Wear and Dept. Stores or write

WILLIAM HOLLINS & COMPANY LTD., 266 KING ST. W., TORONTO, ONTARIO

Free...

beautiful full-colour brochure of

BERMUDA

A 16-page preview of a perfect vacation . . . colour photographs, helpful information. What to see, what to wear . . . sports, beaches, shopping, transportation, hotels and guest houses.

SEND COUPON TODAY!

The Bermuda Trade Development Board,
111 Richmond West, Toronto, Canada

Please send illustrated Bermuda Brochure.

Name .....

Street Address .....

City ..... Province .....

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 281

NOTICE is hereby given that a dividend at the rate of thirty-five cents per fully-paid share on the outstanding Capital Stock of this Bank has been declared for the quarter ending April 30, 1957, payable at the Bank and its branches on May 1, 1957, to shareholders of record at the close of business on March 30, 1957.

Subscribers to new shares are reminded that they will rank for this dividend only in the proportion that the amount paid upon such new shares at the record date of March 30, 1957, bears to the subscription price of $30.

BY ORDER OF THE BOARD

N. J. McKINNON,
President.

Toronto, March 8, 1957

KOPKE, *famous for over 300 years*

KOPKE

FULL RICH RUBY DOURO

FOUNDED 1638
OPORTO

PORT

PRODUCT OF PORTUGAL

Shipped by C. N. KOPKE & CO. LTD., OPORTO

reliable preservers of national unity; there were professions of zeal for all progressive causes and offers of mild sedatives to the discontented; and there was complete silence about some vital issues. It was acclaimed in Liberal circles as a great speech, but it did not hold the promise of a heart-stirring campaign.

Mr. Diefenbaker and his lieutenants, while they can point to certain weeds among the flowers in Canada's economic garden, will be unable to challenge the Liberals' claim for credit for the present lush prosperity. There are only fine shades of difference between their program of reform and the Liberal prescriptions for the country's problems. So they would be wise to concentrate upon the theme that the system of parliamentary democracy does not work efficiently unless the dominant political parties in a country enjoy reasonable alternations of power; and that, when one party is given for more than 20 years an uninterrupted control of the government with overwhelming majorities, it becomes infected with arrogance and complacency and feels itself omnipotent. As an inevitable corollary, Ministers who can rely upon the docile obedience of their followers, as ours have been able to do, accquire an autocratic outlook and temper, which leads them to trample upon the traditional rights of Parliament as a forum for the free discussion of national problems. As a consequence, what ought to be the high court of the nation is reduced to the role of a subservient instrument of the Government's will.

Of course, the Liberal answer to these charges will be that the St. Laurent Ministry has made mild use of its overwhelming ascendancy in Parliament and that it has only on rare occasions, forced by foolish, fractious conduct on the part of the Opposition, resorted to the stern measures needed to accomplish the country's parliamentary business.

The Progressive Conservatives may have in their hands abundant ammunition for convicting the Government of reprehensible extravagance, which has kept taxation high and helped to raise the cost of living, but in times of prosperity such charges often fall on deaf ears. Their best hope of winning votes lies in convincing the voters that the broad interests of Canada demand either a change of government at Ottawa or a much stronger Opposition to the present Ministry.

Culture

by Louis Dudek

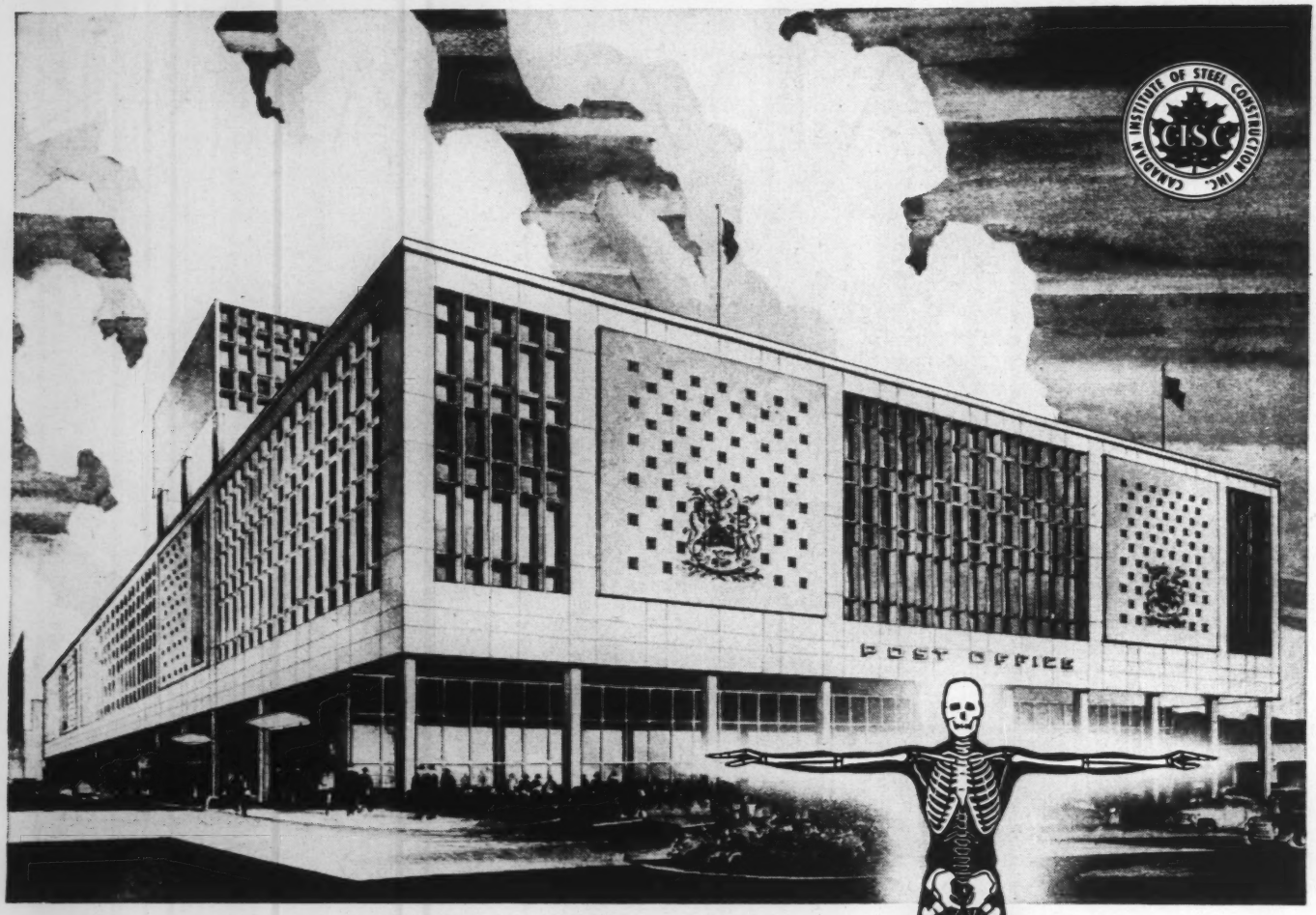
Remove the proper Tea
And what remains of the soul's
Immortality?
God and Society
Protect that secret entity
From Sudden variety!

CANADA MINK

MAJESTIC* is the trade-mark for the magnificent natural dark ranch mink produced by Canada Mink Breeders. Its deep midnight splendour makes costume elegance wherever it goes, however it's moulded — in stoles, capelets or greatcoats. You'll love its rich softness. Your admirers will love the way its dark beauty frames your face. Be sure to ask your furrier for MAJESTIC* CANADA MINK.

Virginia Thoren

*Canada Mink Breeders



what makes it stand up?

Hidden from the eye and often forgotten — the frame of the building and the human skeleton both serve the vital function of keeping the structure from collapsing.

A *steel frame* building has many obvious qualities and some which are less apparent; for example:—

It can be erected so quickly once the steel is on site that it often beats other materials which may show an earlier start.

Changes or additions can be readily made both *during* construction and *after* completion as circumstances may dictate.

It provides the utmost in permanence.

We would welcome the opportunity of discussing your new building — before the type of construction is decided.

Illustrated: Artist's conception of new Vancouver Post Office – believed to be largest all-welded building in the world.

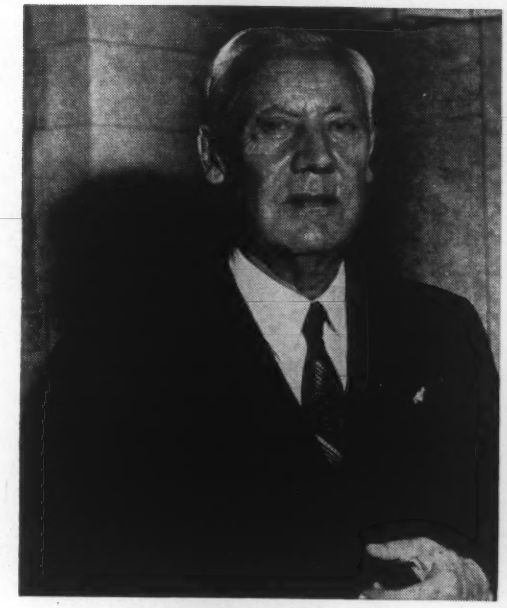
DOMINION BRIDGE COMPANY LIMITED Established 1882

DIVISIONS: STRUCTURAL, MECHANICAL, PLATEWORK, BOILER, WAREHOUSE

Plants at: MONTREAL • OTTAWA • TORONTO • WINNIPEG • CALGARY • VANCOUVER

Assoc. Companies at: AMHERST • QUEBEC • SAULT STE. MARIE • EDMONTON

Saturday Night



Axel Wenner-Gren: His welcome was warmer than in 1940, when his yacht was under guard.

He has hoisted a "No Trespassing" sign on 40,000 square miles—or one-tenth of B.C.

Axel in Wonderland

by Stuart Keate

TWO HARDWARE MERCHANTS met in Victoria recently. One was the Sunday-supplement-famous Axel Wenner-Gren, manufacturer of Electrolux, Servel and a two-mile Cologne monorail. The other was Premier W. A. C. Bennett of British Columbia, owner of a modest chain of stores in the Okanagan Valley.

Both men had improved their stations dramatically in the past 17 years. When Dr. Wenner-Gren last visited Victoria, in 1940, machine-guns were removed from his luxury yacht, a guard placed at the gangway and a naval "observer" aboard. As a mediator for Hermann Goering in the Finnish war, the tall and courtly Swede was regarded suspiciously by the Allies; in 1942 he was blacklisted by both Britain and the United States for trading with the Nazis.

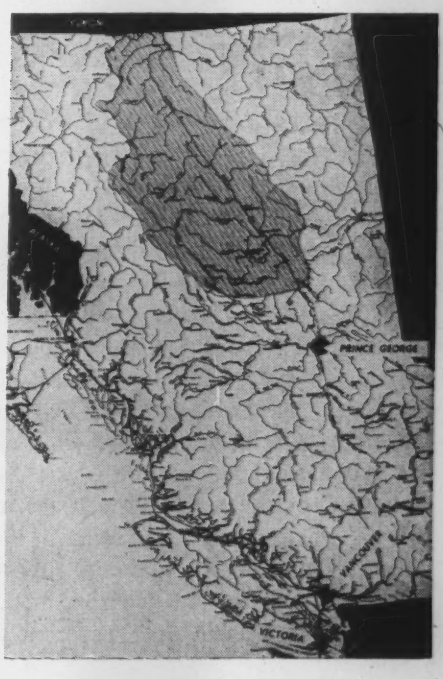
This time it was different. Dr. Wenner-Gren sailed into Victoria, with an impressive retinue, aboard the private yacht of a former lieutenant-governor. He was entertained at Government House. At the Empress hotel, Premier Bennett turned out his full Cabinet at a reception in honor of the white-haired financier. A year away from being a restive Tory back-bencher in 1940 (he was elected as a Conservative in 1941), Mr. Bennett was now a paid-up apostle of Social Credit and undisputed boss of one of Canada's richest provinces.

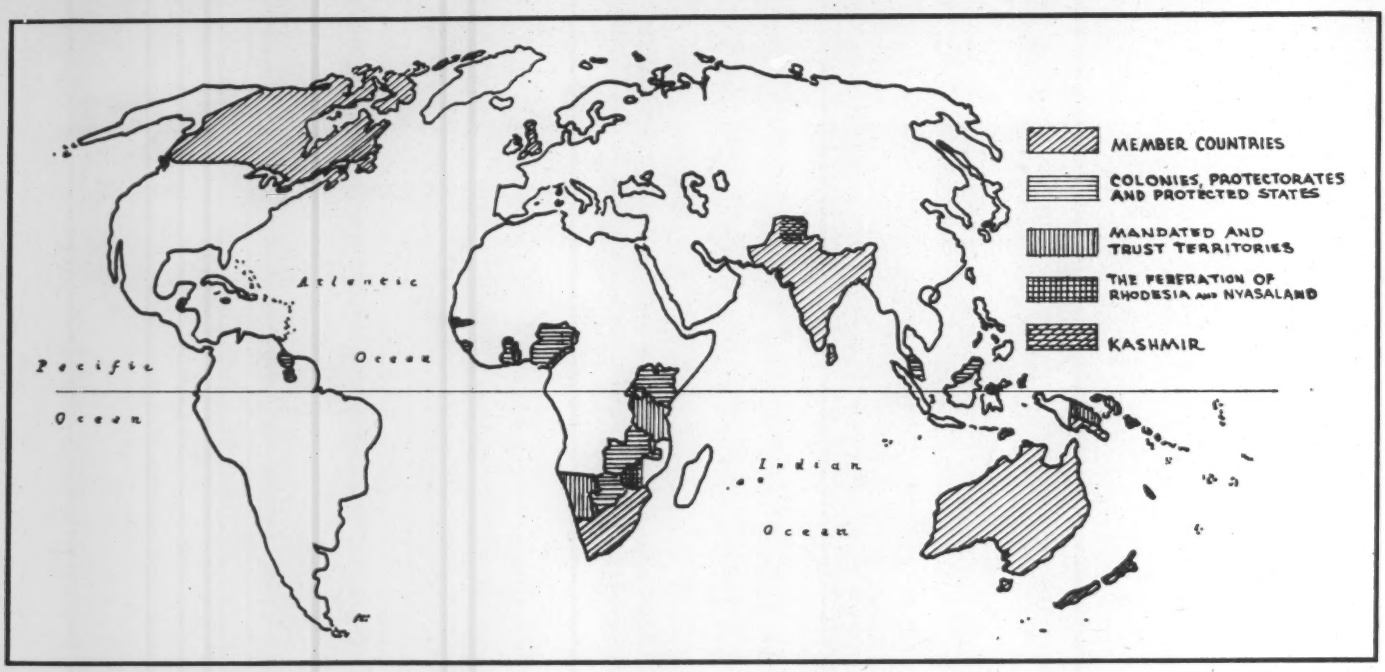
This time, Dr. Wenner-Gren and Premier Bennett did not discuss hardware, but real estate.

"My," the doctor observed, "we've bitten off quite a large bite in British Columbia."

CONTINUED ON PAGE 50

Location of the area to undergo development.





While Commonwealth grows, Empire dwindles; but there are still 44 colonies, protectorates, trust territories.

Empire to Commonwealth

IN CANADIAN foreign policy, a subject that stands perhaps in importance almost at the shoulder of Canadian-United States relations is the function and future of the Commonwealth.

This generation of Canadians, in the magnitude of claims upon their international attention, may be forgetting the historical contexts that reached their political climax in the Balfour Declaration of 1926 and their legal apogee in the Statute of Westminster of 1931. Yet the brooding presence of the Commonwealth pervades today through all the myths and realities of overseas Canadian power and obligations. And since we have had dramatic hints that the tragic debacle at Suez almost tore apart forever the "seamless web" of Commonwealth unity, it becomes necessary to ask again what is the Commonwealth and what its destiny.

This is a question as relevant to the hustings as to the historians. Mr. Pearson's recent defence of Canadian Commonwealth policy in the UN when he explained to the House of Commons why Canada did not join New Zealand and Australia in supporting the United Kingdom against the overwhelming majority of an Assembly demanding a cease-fire, may well become an election issue. Indeed, Mr. Pearson has often claimed since last November that the Commonwealth was "seriously split and damaged" by the Anglo-French action, and his evidence for this was not only the voting in the Assembly, where three Commonwealth members supported the cease-fire, three were against and two abstained, but also in the atmosphere of tension and suspicion that touched Commonwealth relations because Suez underlined the deliberate omission of consultation and information on a matter of vital interest to all the members of the Commonwealth system as well, of course, as to world politics as a whole.

Understanding the Empire-Commonwealth often is less a matter of objective political science than subjective political art, a feel for institutions that comes only to those who have lived with them and who have shared in their processes of change.

Constitutional history and semantics, race and nationalism, economic preference and strategic location, the stone age and the common law, all enter into any effort to comprehend this mixture of peoples and places circumscribing the planet and covering a spectrum of government from fullest dependency to absolute sovereignty. If the Commonwealth sprang from the frustrations of empire, it was also the child of responsible government, just as responsible government itself was the creature of the party system and the long constitutional struggles that began at least with the Grand Remonstrance.

So the Empire that was born with Elizabeth and the Stuarts, to spread onward long through Victoria's day, continues also to our time, but now paralleled by a Commonwealth that comprises the sovereign states that owe their "member status" to the constitutional battles for independence first fought by Canada.

For the Commonwealths of today and those that will be tomorrow, there are at least four discernible phases of ancestry in this *sui generis* political organism: the

Duchess of Kent greeted at celebrations marking independence of Ghana.

There will be big changes in the shape and economic pattern of Commonwealth.

by Maxwell Cohen

Commonwealth to What?

"first empire" down to the loss of the American Colonies; the "second empire" with the achievement of responsible government and the slow movement towards increasing external independence to match domestic freedom; the third phase of external autonomy already appearing by the end of World War I, maturing in institutions and formulas clarified by the imperial conferences, the Balfour Declaration, the Statute of Westminster, and the emergence of the Commonwealth we knew until the end of World War II; and the fourth "community" stage of today, more "Commonwealth" than "British", with members viewing the "Crown" through dissimilar constitutional lenses, with non-white Afro-Asian populations now vastly exceeding the white and western original members and with English its *lingua franca* for the near future at least.

It is this fourth "community" stage that now asks for answers as to its future, and to give even partial answers there must be an awareness that this fourth "unimperial" empire should be examined in the context of its relations with the extensive and continuing British colonial system, of the relations among the members themselves within this sovereign status "club", and, finally, the relations of the "club" and its members to the other major states and institutions that dominate international politics in our time.

Even a cursory look at the very magnitude of the remaining imperial domain indicates that however Mr. Churchill may have feared the liquidation of the Empire, it is still an extraordinary collection of well located territories, islands and resources. The forty-four colonies, protectorates, protected states and trust territories are impressive to the point of reminding an uncolonial Canadian of how extensive British responsibilities continue to be, with arms and civil servants strategically serving the interests of Britain, the free world and native populations alike.

Now this vast congregation is a massive incubator for the growth of native self-government. "Exploitation" in the classical colonial sense is so far out of date that it becomes almost a public duty to remind critics of how

British troops in Cyprus: A disastrous exception.

changed are the premises of this metropolitan power, represented not only by instruction in law and self-government but also by the almost three hundred million

CONTINUED ON PAGE 42

'Free' Advertising in TV and Radio

by Bob Willett

Jack Benny's jokes about commercial products are rated as top examples of the schlochmeister's art.

WHILE THE BIG-MONEY quiz contests make the most headlines, the merchandise-prize programs make the most sense.

The cash quizzes with the gigantic jackpots are limited to relatively few contestants, and repeat appearances take the edge off their entertainment value in the long run. Even the most optimistic observer won't wager they're not a fad that will eventually fade. On the other hand, the old-fashioned giveaway and the exchange of props for plugs have become mainstays of modern show business. Without them, many radio and TV programs would never be aired, and more than a few films never put into production.

It's no accident that the automobiles which predominate in 20th Century-Fox pictures are Fords. This studio has a standing agreement to film one, old or new, whenever feasible. Other moviemakers have similar deals with different auto manufacturers. The wristwatch blown up to Brobdingnagian proportions on the wide screen isn't necessarily a Bulova or a Gruen, yet is rarely any other make. And, more bottles of Coca-Cola are seen in Hollywood films than all other brands of soft drinks combined.

The plug-planting industry has developed to the point where it is virtually impossible for any commercial product to appear prominently or be mentioned specifically in any medium of entertainment by mere chance. In

other words, *schlochmeisters* are here to stay.

Translated literally, schlochmeister means master butcher but, since the advent of the Giveaway Age, Hollywoodians have used the word to denote the huckster who gets the goods to give away — for a slight fee, which the manufacturer pays. A super-schlochmeister serves as many as a hundred clients, the value of the "free mention" advertising he obtains for them annually running as high as $25 million.

Fees average around one-half of one per cent, but are broken down in a wide variety of ways. For free mention of a product on a minimum of three audience-participation programs per week, the advertiser is charged $150. If the merchandise promoter succeeds in having a brand name written into the script of a non-participation program, a like fee is levied, since the plug is more potent when it is not one of many. In all cases, the client is furnished with a recording or strip of film as proof of performance. The many jokes Jack Benny builds around commercial products are classic examples of the schlochmeister's art. The promotion expert who is adept at suggesting commercial laugh lines to gagwriters has become an important contributor of fresh material.

"In this case, familiarity does not breed contempt," Benny points out. "If I say something about a 'household deodorant', it means very little. But, 'Airwick' always gets a laugh."

For motion picture promotion, a $500 monthly retainer covers the use of a product as a prop in at least one movie, plus the appearance of a small display whenever appropriate. Larger displays and signs used in outdoor scenes call for additional charges, and the advertiser also foots the bill for construction or leasing of space. Dialogue mention of a product and/or its use by an actor is usually the result of co-operation in the form of a certain amount of the advertiser's newspaper and magazine space being devoted to plugging the picture.

About half the movies made in Hollywood are supplied with some props by schlochmeisters, and most independent producers have found them a valuable financial assist.

Movie-radio-TV tieups involve some 70 Los Angeles public relations organizations, many with branches in New York, London and other production centers, but the bulk of the giveaway gimmicks flow through 5 or 6 firms. Of these, Adolphe Wenland Enterprises is most famous.

CONTINUED ON PAGE 51

Actor John Carroll gives schlochmeister Adolphe Wenland a light from a give-away lighter.

Comedians Abbott and Costello: the latter used peanuts to soothe a hungry alligator.

Wenland hands a coin to actor George Raft. Schlochmeisters rarely give away any money.

A Member of Parliament complained when the ballet Swan Lake appeared on TV — and many people agreed.

To be deplored: Our lunatic fringe is probably smaller than that of any other nation on earth.

by Morley Callaghan

Canada's Creeping 'Me Too' Sickness

FEW PEOPLE lament the passing of our noble titled men. Their failure to be an élite class, an aristocracy our middle class could look up to with envy and respect, was inevitable. For they themselves in the main were simple middle class folk. They brought about their own sad demise by being conventional figures. Maybe it should have been made clear to each knight the day he was dubbed that it was his job to go against the common grain, to prove in his life that a man needn't be like everybody else; he could be a splendid screwball and be entitled to respect. Don Quixote was such a knight, and look how he frees the imagination. Nobody wants to abolish him.

Now we have become an admirable classless society, one big happy middle class. When R. H. Crossman, the English Labor leader, returned from his recent trip to western Canada, he wrote of his discovery that there were no peasants on the plains and no proletariat in the cities. It's there to see all right. It's admirable, as I say, but it has some dreadful consequences. As a society aren't we sinking soggily into complete mediocrity?

It seems to me we need a new special class, men of leisure and reflective idleness and enough social assurance to go against the common grain and try to deliver us from our social sickness, a dreadful Me-Tooism of the spirit. These days anything unique and colorful in a man or his work is regarded uneasily. One man fades into another, and finally, as has happened, the political parties fade into each other.

What has happened to our political parties has certain sad yet comic aspects which were nicely revealed at the Progressive Conservative convention in Ottawa. In a pitch of enthusiasm a new platform was hammered out. With what result? Editorial writers, mulling over the platform, aren't quite sure how it differs from the Liberal platform. And out at Winnipeg, the CCF at its convention, frankly abdicated as the party of the proletariat, recognizing the economic and cultural condition of the country; it too became a party of the middle class.

So now we have a political recognition of what was inevitable anyway. The parties are all catering to the aspirations of the one class, and if this makes for dull and colorless politicking, as is the complaint, what else can you expect?

This catering to the commonest level of middle class aspiration goes on triumphantly all over the country. In the House of Commons the other day an honorable member rose to complain that long-haired programs such as the ballet, *Swan Lake,* got on national television. Was he laughed down? He was obviously confident his constituents would say, "Me Too". Not long ago a professor told a business man's luncheon that CBC television was too "bookish". It was a newspaper novelty, Even a professor now was saying "Me Too." It's a strange country. It's no longer respectable to be a highbrow.

But "Me Too" in our Canadian cultural pattern no longer even implies, with the old democratic bravado,

that one man is as good as another; it now means that the good citizen is embarrassed if anyone gets the impression that he is any different from his fellows.

With all the inequalities of wealth in the country one might fancy that the millionaires would take on a style and tone and a sense of opulence that would mark them from their less successful brethren. Such is not the case at all. A little research has revealed to me that with a few gaudy exceptions they don't like to flaunt their wealth. In keeping with the puritan temper of the country, they are embarrassed by any public discussion of their riches that would make them seem like men apart. To set oneself apart is the deadly sin against Me-Tooism. The other day I heard a magazine writer from the United States, who had been seeing one of our tycoons, telling with some wonder, "This fellow didn't want me to mention his money. The money had come to him because he liked to keep busy. It was a kind of a hobby with him. He wanted me to see he was just like any other guy named Joe".

What has happened to political parties in Canada was nicely revealed when the Progressive Conservatives met last year.

The one state of mind we share — historically inevitable in a middle class — is that of the conventional business man.

Because Joe the millionaire wants it to be so, he can get into a taxi with Joe the driver, and providing Joe the driver has been to high school, and is in a chatty mood, nothing will be said to indicate the millionaire isn't cut from the same cultural cloth as the taxi driver. One has made more money than the other. But the rich one, eight times out of ten, is anxious to prove, by gad, that it hasn't changed him at all in his manners and tastes and enthusiasms.

A man told me the other day that in one way at least he liked Montreal better than Toronto; in Montreal the rich weren't nearly so ashamed of being rich. The point is that the matter is now a subject of general observation in the country.

Anyone who doubts the happy levelling effect of our classless society should hang around a chain store groceteria for an hour and watch and listen to the splendid ladies in mink talking to the cashiers. The rich woman and the cashier will sound like two peas out of the same cultural pod. They speak the same language. The elegantly dressed woman may get her name in the social columns and sit on many committees but the cashier, if she had the other woman's clothes, could look at her and say, "Me Too". And the rich woman, looking at the cashier's chair could say, "If business wasn't good, there I might sit and feel very much at home." Isn't it a fine democratic thing? you ask.

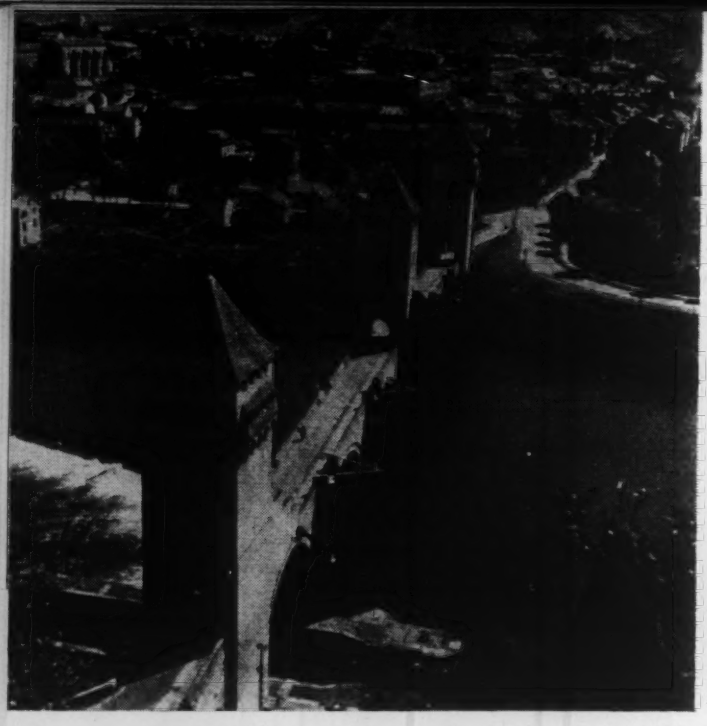
I said they speak the same language. It is more than that. They speak with the one accent, if they were born in the country. It is not just that we all want to be the same. We now all sound the same. Canada is not like the United States, where there are a dozen regional accents. I have been in all the Canadian cities, and whether I was in Halifax, Toronto, Regina or Vancouver I would notice that the speech of the natives came in this one national accent. It is a good accent too, much better than some of the imported brands, but the fact is that in Canada you can't tell whether a man is a cabinet minister, a taxi driver or a professor by the way he speaks. This is also admirably democratic, but again it is simply another thing that helps us to be all alike. Listen, and you can say Me Too.

Granting that this Me-Tooism has been enthusiastically encouraged by the mass media who strive to cultivate the one mass taste so they can have a market for the mass product, the mass idea, the mass entertainment—encouraged, I say, to the point where even a little bit of television entertainment, if paid for by a sponsor is regarded as a failure if the dumbest citizen as well as the bustling business man's wife can't be made to say Me Too to it—it is a fact, nevertheless, that all the incentives of our single happy middle class tend to produce in us the one state of mind.

In our society which is in some ways a booming frontier society, a man's success is rarely measured by what he is in himself, but by his possessions. If he insisted on being something in himself, he would violate the spirit of our democratic Me-Tooism. Canada, under the wet blanket of this conformity, is no happy hunting ground for the wild-eyed dreamer. In fact, our lunatic fringe is probably smaller than that of any other country on earth, something I truly deplore.

The one state of mind we share, as is historically inevitable in a middle class, is that of the business man, big

CONTINUED ON PAGE 38



A bridge to the past. Fortified turrets of the Pont Valentre, Cahors, in the southwest region.

Travel

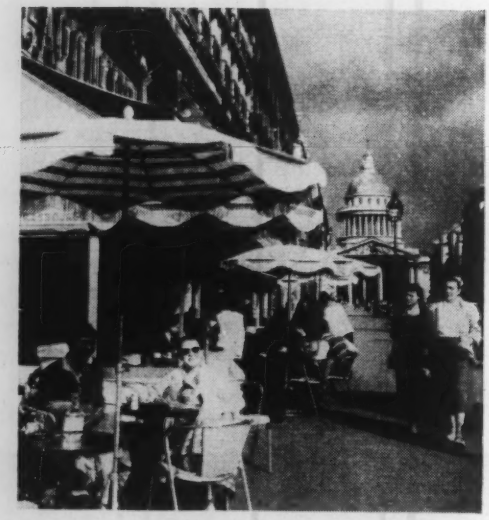
France lends itself to tourism which is not content to attract only passing interest but speaks to the mind and the heart.

In Europe Today

"EVERY LANGUAGE except French is heard on the streets of Paris these days. The race of tourists form one of the most entertaining aspects of French society." So wrote a French observer early in the 19th century.

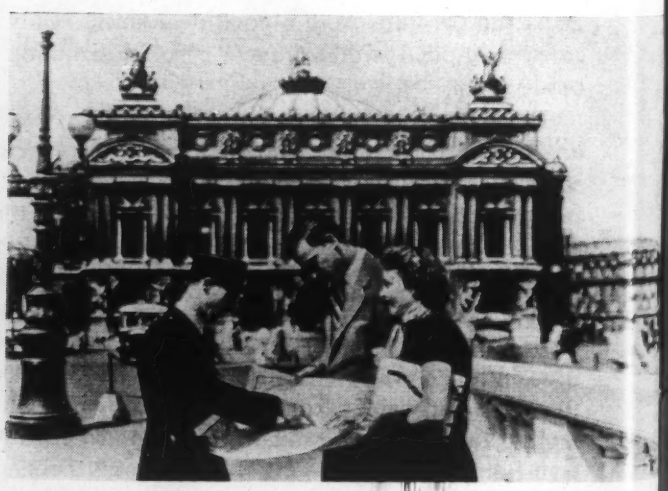
Today tourism has not only become a gigantic industry for the country but steadily each year arrangements have been made for the greater comfort and convenience of the trans-Atlantic traveller. Smooth air lines, luxurious ships, swift trains and easily accessible buses and motor cars have taken away all hardships. But with increasing facilities has come increasing demand and the wise traveller heeds the advice of his travel agent—"Book early".

In France hotels and pensions are found in abundance. They are clean and comfortable and the food is excellent. Prices compare more than favourably with those in North America. Budget-minded tourists will find ideal and inexpensive accommodation in the Alps and Pyrenees; on the Riviera, in Alsace-Lorraine, indeed everywhere in France. Small resorts like Sanary, Cagnes, Vence, Grasse and Vallauris are romantic spots, perched on mountain tops or in fields of flowers (for the perfume industry)

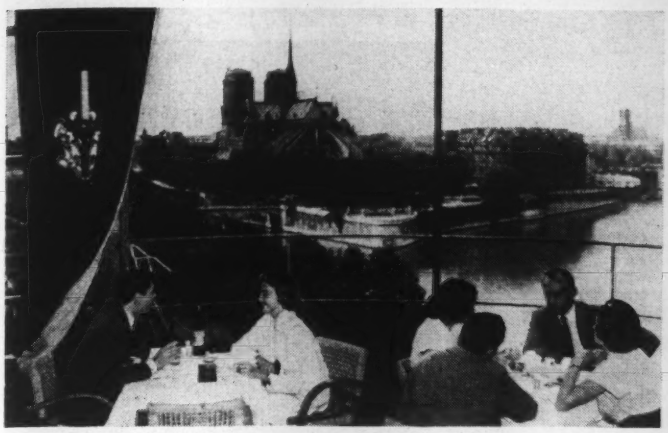


Terrace cafe in Montmartre with dome of Sacre Coeur as back drop.

Volumes of fun in Paris. The lively bookstalls along the Seine.



At Place de l'Opéra, visitors lean on arm of the law.



Lunch overlooking Ile de la Cité and Notre Dame.

y France is a Must

What is a visit to France without shopping? Small, out-of-the-way places provide thrills.

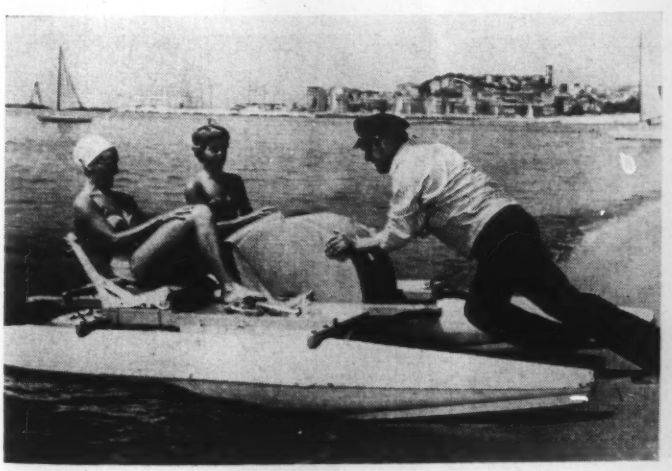
and overlooking the blue Mediterranean. Grasse particularly is the haunt of the artists from Winston Churchill to Picasso.

Between England and France, in addition to the usual travel facilities by plane and ferry, the "over-night" sleeper gives a good night's rest between London in the evening and Paris in the morning. In addition the "Silver City" airbridge has been set up between the famous summer resort Le Touquet and Folkestone. Big Bristol transports permit motorists and their cars to cross the Channel in 20 minutes. Administrative and customs formalities have been so simplified that it takes less time to cross this frontier than the Franco-Swiss border.

Special bus tours are organized to various parts of France. Most popular is, of course, the tour through Normandy and Brittany. Not only the beautiful old towns, the cathedrals and feudal castles, the picturesque "pardons" and the interesting local costumes attract the visitors. Many go on a more serious pilgrimage to the battlefields of liberation in the Second World War. Special bus tours begin right at the ports where the trans-

CONTINUED ON PAGE 46

Les belles Parisiennes. The French theatre remains sprightly.



Sport at Cannes, most glittering harbour of the South.

Chef d'oeuvre. The French take food seriously and its practitioners undergo a very rigorous training.

When we have not permitted the purse to decide what will be produced, the Government has paid.

Our Chartered Banks

Too Much Control— Or Too Little?

by John D. Pattison

Bank of Canada's J. E. Coyne.

IMPORTANT CHANGES for Canadian banking are indicated by the annual report of the Bank of Canada. The report suggests that chartered banks should invest their inactive deposits in long maturity securities and in insured mortgages. The purpose is to enhance the central bank's control of the monetary system, and, it is hoped, to channel funds into areas where there is an evident need.

Suppose that monetary policy needs to be more effective: a number of important questions come to mind. Can the suggested policy achieve its purpose — or is it at once too much and too little? For instance, is the central bank going too far when it attempts to interfere with the judgment of bankers, telling them in what industries they must invest, and how much? On the other hand, to strengthen monetary controls, should it not go a little further and insist that a specified portion of the chartered bank investments be in long-term Government of Canada securities?

In its basic objective, the proposal represents a step that is quite necessary and long overdue. That the popular press should seize on one aspect and toss it into the muddy arena of politics is unfortunate. In principle, the Bank's recommendation is not a matter of politics, but an economic question of more effective central banking. However, by mentioning mortgage investments, which involve the interests of a particular group, politics were introduced.

The reasons for the specific reference to housing are obvious. Housing starts have declined sharply during the last nine months, and this has lent a degree of urgency to the search for additional mortgage money. Possibly it is because of this that the very important policy aspect of the Bank's proposal has been side-tracked. Attention has been drawn away from its real significance.

The Bank suggests that chartered banks should earmark a portion of their funds, specifically those held in savings accounts, for investment in long-term securities of governments and industry, and for insured mortgages.

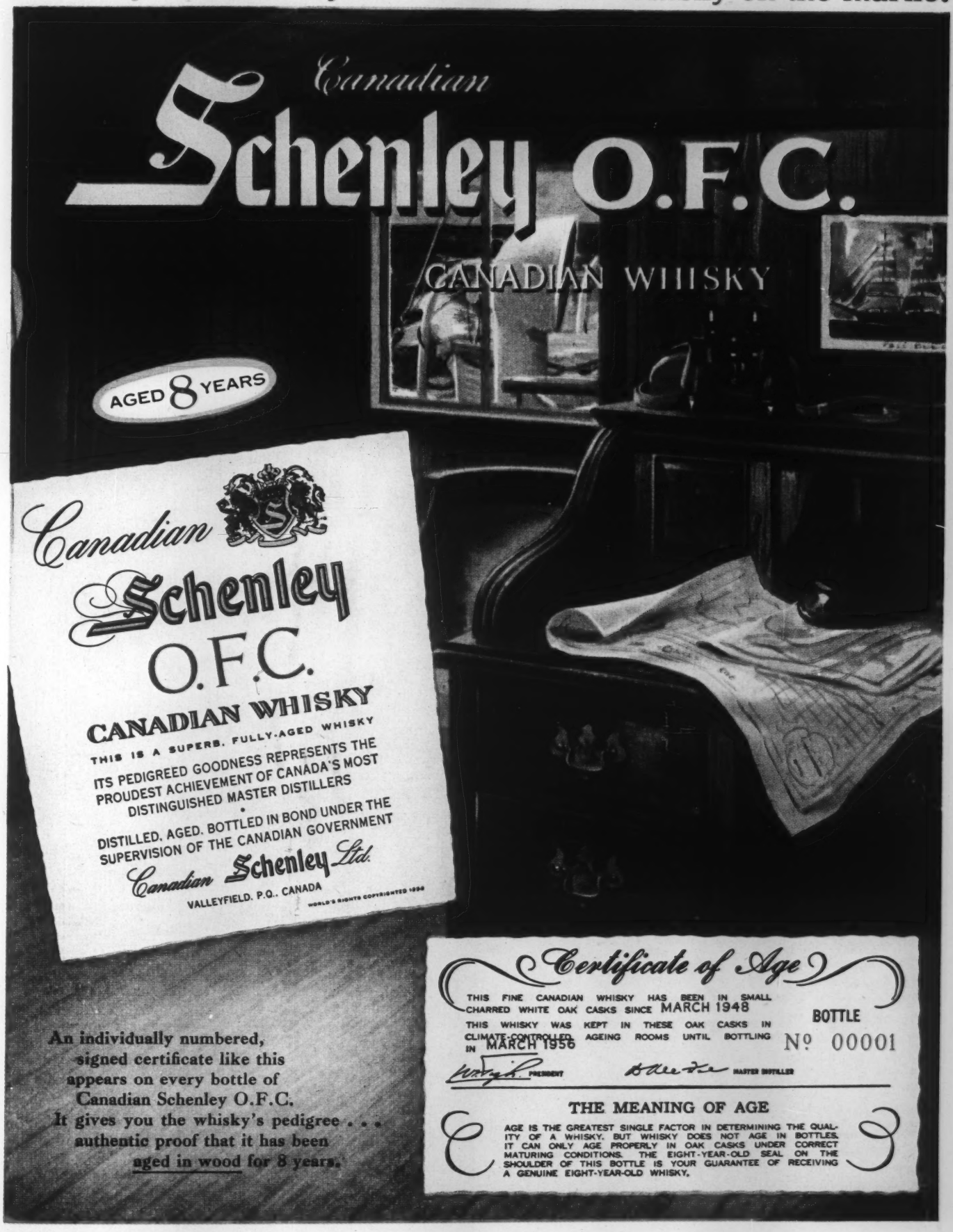
The report points out the different evolution of the Canadian banking structure from the systems in other countries, and mentions the problems that this creates. Canadian banks combine the functions of both commercial and savings banks, but have invested their funds

CONTINUED ON PAGE 47

How real is demand for housing, relative to ability to pay?

Memory: Runs on U.S. banks.

The only certified 8-year old Canadian Whisky on the market


Canadian
Schenley O.F.C.
CANADIAN WHISKY
AGED 8 YEARS
Canadian Schenley O.F.C.
CANADIAN WHISKY
THIS IS A SUPERB, FULLY-AGED WHISKY
ITS PEDIGREED GOODNESS REPRESENTS THE PROUDEST ACHIEVEMENT OF CANADA'S MOST DISTINGUISHED MASTER DISTILLERS
DISTILLED, AGED, BOTTLED IN BOND UNDER THE SUPERVISION OF THE CANADIAN GOVERNMENT
Canadian Schenley Ltd.
VALLEYFIELD, P.Q., CANADA
WORLD'S RIGHTS COPYRIGHTED 1956
Certificate of Age
THIS FINE CANADIAN WHISKY HAS BEEN IN SMALL CHARRED WHITE OAK CASKS SINCE MARCH 1948
THIS WHISKY WAS KEPT IN THESE OAK CASKS IN CLIMATE-CONTROLLED AGEING ROOMS UNTIL BOTTLING IN MARCH 1956
BOTTLE
Nº 00001
PRESIDENT
MASTER DISTILLER
THE MEANING OF AGE
AGE IS THE GREATEST SINGLE FACTOR IN DETERMINING THE QUALITY OF A WHISKY. BUT WHISKY DOES NOT AGE IN BOTTLES. IT CAN ONLY AGE PROPERLY IN OAK CASKS UNDER CORRECT MATURING CONDITIONS. THE EIGHT-YEAR-OLD SEAL ON THE SHOULDER OF THIS BOTTLE IS YOUR GUARANTEE OF RECEIVING A GENUINE EIGHT-YEAR-OLD WHISKY.

An individually numbered, signed certificate like this appears on every bottle of Canadian Schenley O.F.C. It gives you the whisky's pedigree . . . authentic proof that it has been aged in wood for 8 years.

Canadian Schenley LTD. "Distillers of Certified-Age Whiskies"

O.F.C., AGED 8 YEARS — RESERVE, AGED 6 YEARS — GOLDEN WEDDING, AGED 5 YEARS.

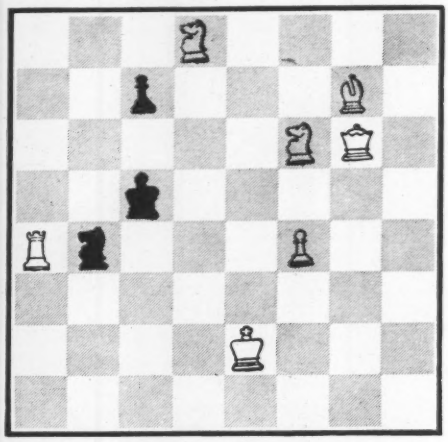
Chess

by D. M. LeDain

SAM LOYD (1841-1911), American master problemist, remains a unique figure in the history of the problem art. The surprise factor in his compositions delights each new generation. Loyd concentrated on the key, in an era when the problem was just beginning to emerge from the earlier primitive conception of a position that could arise in a game. To quote B. G. Laws, the eminent British composer, "Loyd had the advantage of projecting undiscovered mines of singular beauty and with his remarkable genius, assisted by his mathematical and professional training, he was able to speed away from most of the composers of his early days, especially in America. It has been said of him that he was a born showman having command of the tricks and alluring devices adopted by the advertising expert to keep his problems perpetually before interested members of the chess domain".

Solution of Problem No. 163 (Hartong). Key, 1. R-KB6.

Problem No. 164, by S. Loyd.
White mates in two. (7 + 3)



Puzzler

by J. A. H. Hunter

"WHEN PETE was one year older than twice the difference between ages of his two girl cousins, Pam was one year younger than Peg was when Pam was half again as old as the difference between her age and Pete's. Their ages are all different, but these three teenagers have the same birthday."

That's what I'd written. "Another silly 'age rigmarole'," I muttered, reading quickly through the tangle of words. "Quite a twister, but easy to solve."

Well, I was wrong, as I very soon discovered when trying to figure it out. And maybe you'll be wrong too, if you thought as I did.

So here's a challenge! What *are* those ages? (46)

Answer on page 52.

None the Worse for Wear

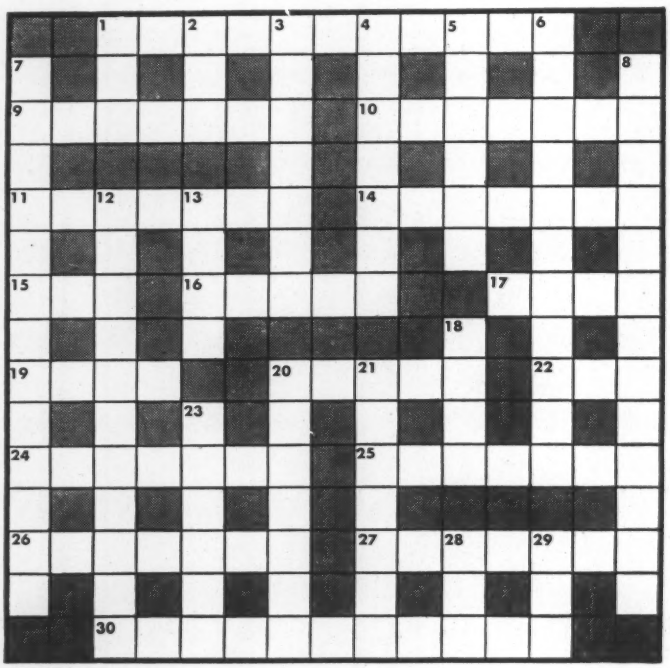
by Louis and Dorothy Crerar

ACROSS

1 Craftsman who never made a left turn? (11)
9 Where seeds of intrigue are planted? (7)
10 Make fun of 'er into the bargain. (7)
11 It's amusing and economical taking one out. (7)
14 How to become 17. (7)
15 Dying tomorrow? Then first do this. (3)
16 Certainly not secret until it has a hundred ahead. (5)
17 A bear isn't, but could be. (4)
19 My bearing makes a change in me. (4)
20 Roast of beef that could carve itself? (5)
22 Put the right word here! (3)
24 Fearful looking people. (7)
25 In this number Serkin went wild. (7)
26 This English author-statesman has a handle to his name in more ways than one. (7)
27 Variations on a French flute should sound so. (7)
30 Spokesman, as it were. A business rival of 1A, no doubt. (11)

DOWN

1 On her it will fade and die. (3)
2 Up and down we go! (3)
3 The explorer who found South America at fifty was embraced by the French of both sexes. (2, 5)
4 It should make a hit at court. (7)
5 They must take life to save it. (6)
6 But this kind of fruit may not keep the dentist away. (6, 5)
7, 13. What is often whipped gets an added whip to make it superlative. (3, 5, 2, 3, 4)
8 Dandy way to go hunting. (7, 2, 4)
12 That much maligned woman! (6-2-3)
13 See 7.
18 Lingerie is under this. (4)
20 Biographer of Sambo's well-ordered life. (7)
21 A judge of rarebit. (7)
23 He raps to make it out of tune. (6)
28 Briefly it's no good around a horse. (3)
29 One 8 might throw one if his suit didn't. (3)



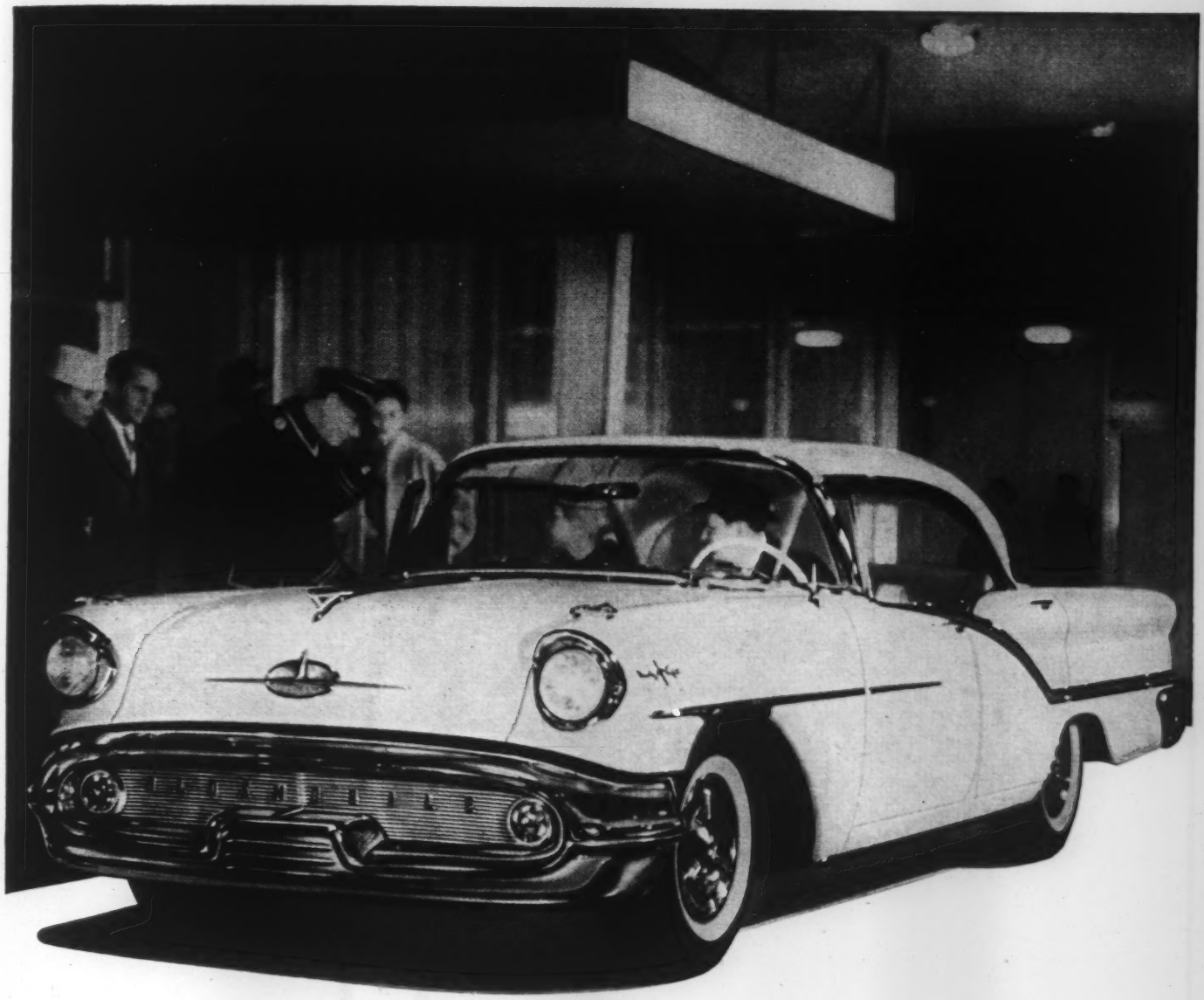
Solution to last puzzle

ACROSS

1 Padded
4 In camera
9 Unwise
10 Abstract
11 Cowslip
13 Duffers
15 Brandies
17 Laden
20 Assay
21 Adorning
23 Impasse
25 License
27 Hellenic
29 Icicle
30 Desolate
31 Carrot

DOWN

1 Paunch
2 Downwards
3 Easel
5 Nobody's fool
6 Art
7 Erase
8 Artisans
12 Philatelist
14 Felon
16 Noyes
18 Dining car
19 Famished
22 Decent
24 Palms
26 Cocoa
28 Ell (413)



WHEN YOU TRAVEL IN OLDS...

YOU'VE ARRIVED!

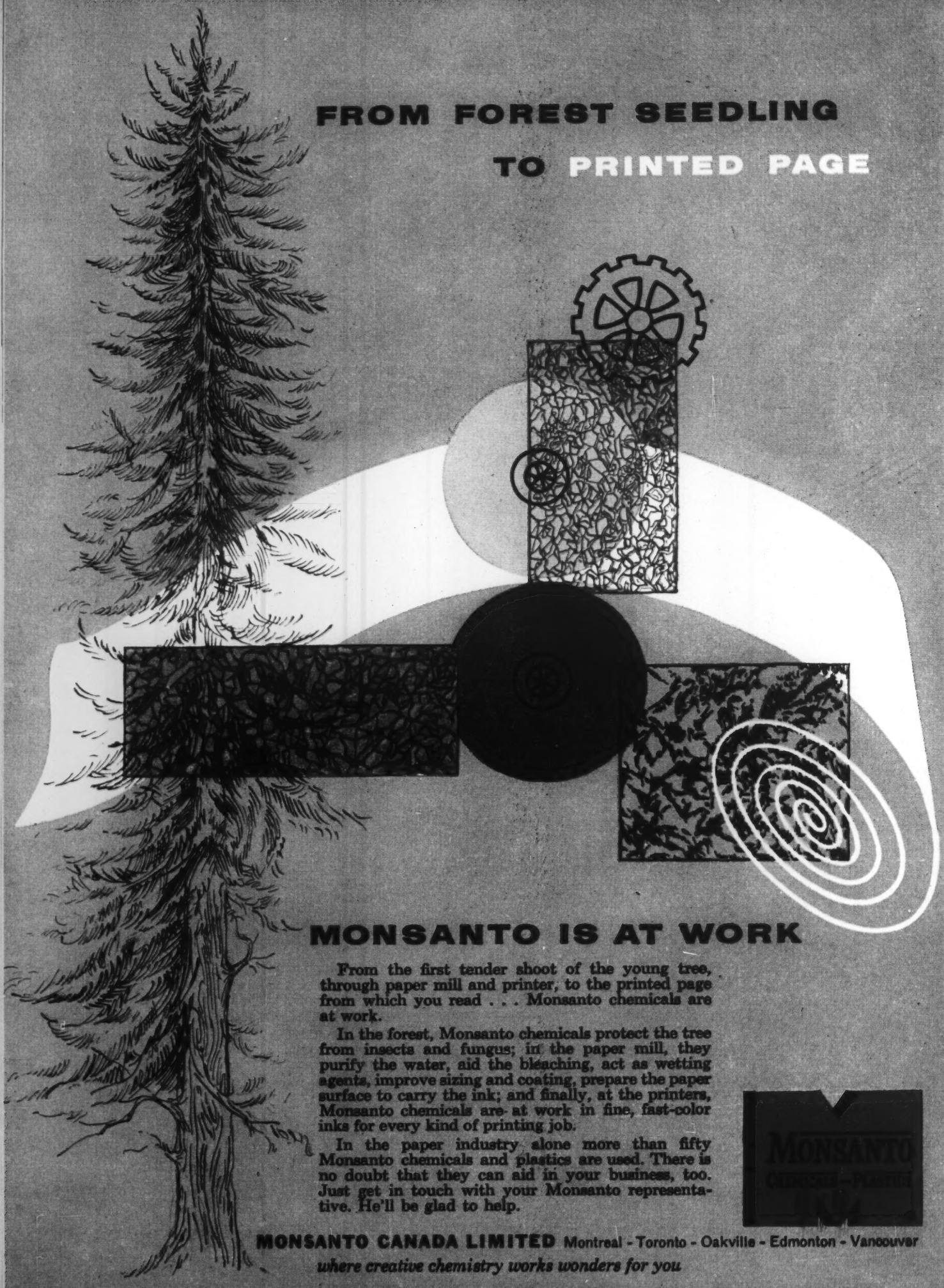
Watch heads turn when you glide up in your new Oldsmobile. Part of the admiration is for your car. The rest is for you. For when the day comes that you call your first Olds your own . . . you've arrived!

And no wonder. The 1957 Oldsmobile has no equal in the classic beauty of its low graceful lines . . . in the spacious luxury of its richly appointed interiors . . . in the thrilling response of its mighty T-400 engine . . . and in its sure-footed stability as it skims the highway.

Find out *NOW* from your nearest Oldsmobile dealer how little it takes to make the big move up . . . the move up to Oldsmobile.

OLDSMOBILE

A GENERAL MOTORS VALUE



FROM FOREST SEEDLING TO PRINTED PAGE

MONSANTO IS AT WORK

From the first tender shoot of the young tree, through paper mill and printer, to the printed page from which you read . . . Monsanto chemicals are at work.

In the forest, Monsanto chemicals protect the tree from insects and fungus; in the paper mill, they purify the water, aid the bleaching, act as wetting agents, improve sizing and coating, prepare the paper surface to carry the ink; and finally, at the printers, Monsanto chemicals are at work in fine, fast-color inks for every kind of printing job.

In the paper industry alone more than fifty Monsanto chemicals and plastics are used. There is no doubt that they can aid in your business, too. Just get in touch with your Monsanto representative. He'll be glad to help.

MONSANTO
CHEMICALS—PLASTICS

MONSANTO CANADA LIMITED Montreal - Toronto - Oakville - Edmonton - Vancouver

where creative chemistry works wonders for you

Gold & Dross

Prospects for more growth—Going broke by taking profits—Potential strategic value in oil—An expansion tied to the economy.

Aluminium Ltd.

Aluminium Ltd. earned around $5.50 a share in 1956 yet the stock sells for $115 to $120. What does this high price-earnings ratio indicate?—M.H., Ottawa.

Growth and prospects for more growth. The consumption of aluminum has been doubling every 10 years and earnings of aluminum-making concerns can be expected at least to keep pace with this trend, probably to exceed it.

Aluminium Ltd., through its operating subsidiary Alcan, is well situated to participate in the growth of this light-metal industry. It is adding to its refining facilities at Arvida, Quebec and Kitimat, British Columbia. One aspect of the Kitimat operation which doesn't appear to be too well recognized by investors is its adjacency to the California market.

Kitimat commenced operations in 1954 and is currently producing aluminum at a rate of 180,000 tons annually. Ninety per cent of Kitimat production in 1956 went to American customers, largely in California. The Kitimat project is now operating at installed capacity but is constructing facilities for substantial new capacity.

Outlook for California market brightens as a result of abandonment by Aluminium Co. of America of its Alaska project.

Alcan ships bring alumina ore from Jamaica to Kitimat and on the reurn trip bring ingot to Calfornia.

Canadian Locomotive

How does Canadian Locomotive look at these prices?—B.L., Windsor, Ont.

Considering Canadian Locomotive in relation to earnings, assets, position and outlook, and simplicity of capital structure, it does not appear to be appraised too highly by the market. Dividends were $2 a share in 1956 versus earnings of $3.15 a share. Capital structure is only 250,000 shares and net liquid assets at the end of 1956 were approximately $4 million or $16 a share against a recent stock price of $24.

Net earnings declined 12.7% in 1956, reflecting operations in an industry which experiences considerable "feast or famine". Net earnings were 4.51% of billings versus 3.61% a year before, but billings fell to $17.5 millions from $25 millions. Contract completions of steam-locomotives by mid-year were partially offset by increases of about 50% in other lines. Backlog of unfilled orders at the year-end amounted to $5.2 millions. Increased sales of diesel hydraulics, industrial, mining and chemical equipment can reasonably be expected in 1957.

The company is affiliated with the Fairbanks-Morse organization. Stock is traded only lightly and this means it is easy to bid up; conversely it means a thin market for sellers.

Trans-Canada

I was fortunate enough to secure 15 Trans-Canada Pipe Lines units at the issue price of $150. Friends advise me to sell them at $180, to which the units have advanced. They say you can never go broke taking profits. What should I do?—D.D.S., Brantford, Ont.

Contrary to the folklore of the stock market, you can go broke taking profits, unless your profits exceed your losses. In other words, if you cut your losses quickly, you can take short profits but if you have large losses — as most people do — you should be playing for long profits.

One of your chances of long profits is to stay with Trans-Canada, regardless of short-term fluctuations, and give the investment a chance to grow with the Canadian market for natural gas. It is, of course, obvious that the market price of the units is based on expectations, but a study of the energy situation in Canada shows that high hopes for natural gas sales in the East are warranted. Our close-in electric-power sites will soon all be under development, leaving natural gas as the logical source of energy.

There is a second fallacy in the advice of your friends. Trans-Canada units were several times over-subscribed at the $150 issue price and went to a $15 to $20 premium immediately. The company simply underestimated the price which investors would put on its prospects. The real issue-price might then be said to be $165 to $170, because this was the price you had to pay to get a quantity of units. There were many applicants at $150 and they

WHEN IN DOUBT...

About any insurance problem, see your local Agent. Remember he can give expert advice on how to plan your security . . . and protect your possessions.

. . . and when you think of insurance . . . think of this "Shield"

THE LONDON & LANCASHIRE GROUP

. . . and the protection it offers . . . in these types of insurance:

- FIRE
- INLAND MARINE
- AUTOMOBILE
- LIABILITY
- ACCIDENT
- PLATE GLASS
- BURGLARY
- BONDS
- MULTI-PERIL

THE LONDON & LANCASHIRE GROUP

With Offices in:

Saint John • Quebec • Montreal
Toronto • Winnipeg • Calgary • Vancouver

How did you go about raising funds to take care of your recent plant expansion?

Well Tom, we took our problem to Dominion Securities. After examining our situation carefully they suggested raising the necessary capital through the sale of company debentures and common shares.

Orders accepted for execution on all stock exchanges

DOMINION SECURITIES CORPN. LIMITED

Established 1901

Toronto Montreal Winnipeg
New York London, Eng.

EVERGREENS

for FOUNDATION PLANTING

Mountbatten Juniper is a dense compact pyramid without clipping.

		Each
Mountbatten Juniper	18-24 in.	$6.60
Pfitzer Juniper	15-18 in.	4.40
Savins Juniper	15-18 in.	4.40
Canaert Juniper	30-36 in.	6.60
Hills Dundee Juniper	24-30 in.	5.20
Japanese Yew	18-24 in.	6.60
Mugho Pine	15-18 in.	5.60
Pyramid Cedar	3-4 ft.	6.60

For description of hundreds of varieties of Evergreens, Trees, Shrubs, Roses and Perennials send for our Illustrated CATALOGUE. Free on request.

A LANDSCAPE SERVICE

SHERIDAN NURSERIES LIMITED

HEAD OFFICE: P.O. Box 181, Islington, Toronto 18.

SALES STATIONS:
2827 Yonge St., Toronto.
Lakeshore Highway No. 2 at Clarkson, Ont.
Queen Elizabeth Way, 1/3 mile west of Highway 27 Cloverleaf.
650 Montee de Liesse, St. Laurent, Montreal 9, P.Que.

got only dribs and drabs, five and 10 units. So if you consider the effective buying price as $170, it is apparent that the units have not advanced so greatly.

As an indication of what might be expected of the units before the line to Eastern Canada gets into operation in a couple of years, consider West Coast Transmission units issued a year or so ago at $115. The units have risen to $190 and the line is not yet in operation, although not so long away as Trans-Canada.

This reply gives us a chance to warn the investor of the dangers of trying to play the short swings of the market. If investors were not exposed to day-to-day price fluctuations they might have a better chance of staying with long-term objectives; certainly the national nerves would be better.

North Star Oil

Could you kindly give me your opinion of North Star Oil Ltd. as a sound investment for future appreciation? — C. W., Vancouver, B.C.

North Star Oil is an attractive situation, although it might be more accurate to describe it as a speculation than as an investment. The company is a refining-distributing organization operating from northwestern Ontario to northeastern British Columbia and has made large capital outlays for expansion in recent years.

We think the outlet for crude-oil production which is vested in it makes it a very desirable asset for any crude-oil producer or integrated oil company which wanted to get more marketing facilities in the territory in which North Star operates. The company has a potential strategic value. Apart from that the growth prospects of its industry are interesting and it seems to be as well situated as any operation of its kind to participate in them.

Bell Common

Could an investment in Bell Telephone common be recommended? — B. G., Midland, Ont.

It is difficult to single out a firm with growth possibilities so closely tied to the economy as Bell Telephone. It has in the past decade raised large amounts of money via subscription rights to shareholders at prices below the market at the time. The possibility of a continuance of these rights is one of the main attractions to the investor in Bell. These rights, if not exercised, can be sold and the proceeds considered as a tax-free dividend.

Back of the expectation of a continuance of rights is the prospect of financing to meet service obligations. Company is pledged to undertake whatever construction is required to provide service for those who are waiting for it and to others who will require it in the future. Certain other

construction projects are desirable for the production of service improvements and operating economies but are being deferred. Yet the company will in 1957 lay out $176 millions on construction.

Last year it spent $139.5 millions, a new record and $11 millions more than in 1955, and became the vehicle for the investment of $108 million of new capital. This was provided through sale of $40 million first mortgage 4% bonds, through subscriptions by shareholders to about 1.7 million shares at $37 on basis of one for each eight shares owned, and through sale of $5 millions in stock to employees, who own about eight per cent of the company. When financing is by bonds, shareholders win through the increased leverage of the common stock.

Bell can be recommended to the investor seeking a combination of yield and growth possibilities.

East Sullivan

For some time I have been holding East Sullivan, averaging about $9 a share. What are the chances of it advancing or in your opinion would you sell it and buy Northspan? — J. S., Ottawa.

There does not appear to be anything on the horizon at the moment to which one could pin the hope of an advance in East Sullivan, but mining is full of surprises. The chance of the company running into more ore on its property or of diverting a portion of its working capital to outside ventures which might produce results cannot be dismissed.

In the meantime, it has a couple of dollars a share in net liquids plus what it can earn from working its admitted ore reserves. The company's position would be improved by an increase in the price of copper, which seems to have settled around the levels predicted for it by the more informed elements of the copper trade.

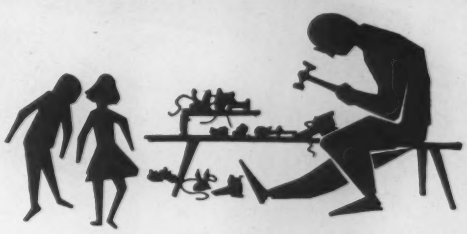
It is difficult to appraise the long term picture of Northspan or any other uranium until the metal enjoys freedom from government support and finds its own price level.

Building Products

Would you discuss the attractions of Building Products as an investment vehicle?—K.B., Peterborough, Ont.

Building Products offers the investor a yield of about 6%, based on recent price of $32 and dividends of $1.80 a year. The dividend is well protected by earnings, $4.25 a share in 1956 versus $3.31 in 1955, but no increase in dividend is expected in the immediate future owing to the continued need for money to finance capital expenditures.

Price-earnings ratio is not as high as might be expected, reflecting the tone of hesitancy in Canadian home construction



The Cobbler's Children...

Remember the cobbler who hadn't time to mend his children's shoes? Some people find themselves in a similar position with their investments. Busy at work, they haven't time to attend to personal matters.

We can be of assistance to such investors by providing them with a record of their investments showing the essential particulars of each security and, where desired, suggestions for improvement in security, income and appreciation.

This is one of our services. If you would like us to do this for you, simply telephone our nearest office.

ESTABLISHED 1905 WG & CO. LTD. Investments

Wood, Gundy & Company
Limited

Toronto Montreal Winnipeg Vancouver Halifax
Ottawa Saint John Quebec London, Ont. Hamilton
Kitchener Regina Edmonton Calgary Victoria
London, Eng. Chicago New York

Upper Canada College

1829 ALMA MATER CRESCAM QUI MERUIT

TORONTO, CANADA

Boarding and Day School for Boys
(Non-denominational)

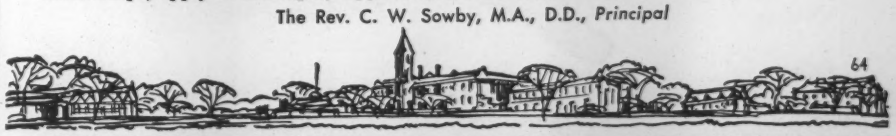
UPPER SCHOOL, 14-18 *(Grades 9-13)* **PREPARATORY SCHOOL, 7-13** *(Grades 2-10)*

Ontario Senior Matriculation and post-Matriculation VIth form for gifted boys. Spacious grounds. Exceptional facilities for athletic and extra-curricular activities. Large estate at Norval in Credit Valley for weekend camping, scouting and skiing.

Autumn term begins Wednesday, September 11th, 1957

For prospectus and information about curriculum, extra-curricular activities, games and scholarships, apply to Principal, Upper Canada College, Toronto 7.

The Rev. C. W. Sowby, M.A., D.D., *Principal*



THE PERSONNEL LABORATORY

J. K. Thomas, *DIRECTOR*

Industrial Psychological Consultants
Personal Evaluation

46 Avenue Road, Toronto • WAlnut 3-9807-8

J. K. THOMAS & COMPANY

A. Geoffrey Heighington, *MANAGER*

Management Consultants
Placement Consultants for Tested Personnel

46 Avenue Road, Toronto • WAlnut 3-9805-6

The perfect !
to a perfect
meal...

It's been one of those perfect dinners. The soup was just right, the turkey done to a turn, the Barrows licking their fingers, asking for more.

Now to top it off, I'm serving, with the cheese and crackers, smooth Canadian "74" Port. I've found that it's the perfect exclamation mark to a good meal. It ends a dinner on just the right note—sets the stage beautifully for an evening's fun.

Bright's fine Canadian Wines
SINCE 1874

in the wake of credit restrictions. There is, however, some reason for believing that home construction will again match economic growth. And the outlook for industrial, commercial and institutional construction is quite bright.

Building Products sales for 1956 were at a record owing to improvement in volume and prices, and sales for 1957 may equal last year, although lower the first few months. There is some possibility of increased costs.

Over the longer term, earnings should respond to the capital now being injected into the enterprise. The Edmonton paper mill and the Havelock plant are not believed yet to have realized their full profit potential. Net additions to fixed assets last year were nearly $2 millions, chiefly for a new insulation-board plant, coming into operation. A vinyl-tile plant at Hamilton should be in production this year.

Macassa Mines

As a regular reader of your valued comments, I would appreciate a rundown on Macassa Mines. — M. K., Chatham, Ont.

Macassa Mines continues to add stature at its Kirkland Lake gold-mining operation. It racked up the highest profits in its history last year, 22.6 cents a share, and doubled its ore reserves. It finished 1956 with six years' ore developed and it can be assumed that it can put other ore in sight as dictated by its needs and plans. There is, it might be pointed out, generally no object in a company tying up money in developing ore which it won't be able to extract for several years.

The company has outstanding 2.7 million shares and has working capital in excess of $1 million. Additionally, it has an interest in the Renabie gold operation from which it drew dividends of $160,000 last year.

Macassa adds up to a dividend-paying investment (15 cents a share last year) sustained by several years' ore, an interest in Renabie, and the chance that both Macassa and Renabie properties may produce further ore findings.

Margin of Macassa between grade (14.27 per ton in 1956) and costs ($9.36 per ton) puts it in the forefront of investments in an industry which is down, but not out. The market could be expected to reflect any improvement in underlying conditions for gold plus any further reduction in costs. The possibility of an additional upward fillip as a result of developments at Renabie is not to be dismissed.

In Brief

Is there any difference between an option and a warrant? — F. P., Sudbury.

Not in effect, since both comprise an option to buy a stock at a fixed price within a certain time limit. There is,

However, an important distinction in practice. An option may be granted on stock which has already been issued; or it may be on stock not yet issued. A good deal of Canadian mining finance is via options on unissued stock. Warrants are granted by the issuing company, as a bonus to buyers of other securities of the company. For example, since money has become tighter a number of companies have had to make their debenture issues carry with them warrants on stock.

Should I continue to hold Dow Brewery common, which I bought when it was National Breweries? If I sell now, I lose. — M. G., Montreal.

A judgment as to any holding should be based on its current rather than former market value. Dow is not without attractions since the outlook for the working man continuing to indulge in a "harmless glass of beer" is brighter than ever.

What is meant by "net liquid assets"? — J. H., Calgary.

"Net liquid assets" is a term for the amount by which a company's current assets exceed its current liabilities. It is the same thing as working capital. When a company's current liabilities exceed its current assets, some financial writers describe it as having a deficit of working capital.

Is Opemiska an attractive buy at these levels?—L.T., Buffalo, N.Y.

Not especially. The stock's recession from its high has not yet matched the proportions of the indicated attrition of earnings by reason of the props being knocked out from under the copper market.

What is the status of Monpre Mining Co.? — B. F., Orillia, Ont.

Monpre is reported to have a $200,000 kitty with which it is drilling and conducting metallurgical tests on a low-grade iron property in Ontario's Shebandowan district.

How does Canam Copper stand? — T. C., New York.

Canam is suspending development work pending a review of the situation in copper, which has declined. The company also ran into higher costs as a result of water-flows.

Would you advise selling or holding shares of Canadian Javelin? — W. N., Edmonton, Alta.

Stay with it only if you can take a maximum of risk. It is an interesting project but has many hurdles to leap yet.

When will the Willroy copper-zinc mine be treating ore? — K. H., Binghamton, N.Y.

Willroy's construction progress suggests milling may be possible this fall, although not scheduled before the year end.

TODAY'S FINEST du SMOKING PLEASURE

Finest Tobacco — Finest Filter

- EASY DRAWING
- EXTRA MILDNESS
- RICHER FLAVOUR

du MAURIER

with the

EXCLUSIVE "Millecel" FILTER TIP

IMPERIAL BANK OF CANADA

DIVIDEND No. 267

Notice is hereby given that a Dividend of Thirty-five Cents (35¢) per share has been declared for the quarter ending 30th April, 1957, payable at the Head Office and Branches on and after Wednesday, the 1st day of May next, to shareholders of record of 30th March, 1957.

By order of the Board.

E. J. FRIESEN
General Manager.

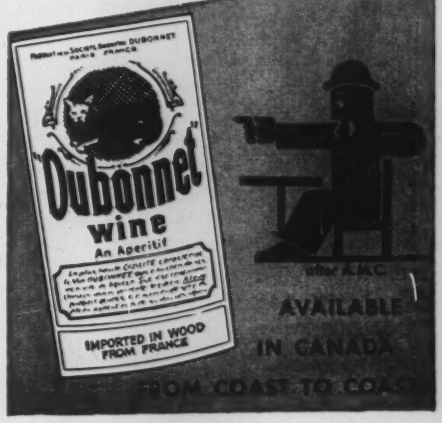
Toronto, 6th March, 1957.

IMPERIAL
the BANK that service built

TRY DUBONNET "STRAIGHT"

SERVE DUBONNET CHILLED

USE DUBONNET IN COCKTAILS



AVAILABLE IN CANADA FROM COAST TO COAST

Books

by Robertson Davies

Chaucer on a Bull Market

Beauties lurk in those queer, crabbed lines which, when we have found the key, speak to us across five centuries with an illuminating eloquence. "Here is God's plenty".

CHAUCER SHARES on the literary stock market have been rising during the past ten years, owing chiefly to the enthusiasm, literary gifts and scholarship of an Oxford don, Nevill Coghill, and secondarily to the British Broadcasting Corporation. The fluctuations of the literary market are familiar to everyone; sometimes there is a fierce flutter in a virtually unknown commodity (like the John Donne boom in the 'twenties); occasionally an almost dead commodity bursts into new life (as in the Trollope boom of the 'forties); Foreign Moderns (Sartre, de Beauvoir, Camus, Sagan) are eagerly pushed but are apt to collapse suddenly, wiping out those critics who have invested too heavily in them; in the U.S.A. the Deep South and Proletarian Anguish are solid, but all else fluctuates unpredictably. But it has been a long time since there was much movement in Chaucer shares, and I for one am glad to welcome the present bull market; enjoyment of Chaucer has for too long been confined to the scholarly; it is high time the general reader knew more of him.

The reason for the neglect of Chaucer is simply that the language of the fourteenth century is daunting to the modern reader who has not given some time to its study. An untrained person can read it, if he uses some such edition as the famous one by Professor W. W. Skeat, in seven volumes, or the less terrifying, but still formidable single-volume edition by F. N. Robinson, published in the Cambridge Poets series. But it will scarcely be argued that such reading is pleasant, when every line must be puzzled over, and every second or third word must be looked up in the glossary. Because Skeat and Robinson prepared their editions for scholars and students, they have included variant readings and all the critical apparatus which such people demand, and which the general reader does not want, and very properly resents. He will read Chaucer only if it gives him pleasure — a point of view which Chaucer himself would have understood and approved.

The needs of the general reader have been catered to from time to time by writers who have offered Chaucer in translation; Dryden tried his hand at it, as did Pope and also Wordsworth; in addition many lesser men have provided versions which were not so much translations as tinkerings with the text. But we have now a version of *The Canterbury Tales* by Nevill Coghill which is admirably suited to the needs of the general reader, for it is in good English verse which suggests Chaucer's own without striving for quaintness; it is the work of a lover of Chaucer who is also a scholar; it carries the minimum of notes, and it reads superbly.

Its virtues do not end there. It is also possible to get it, in the Penguin Classics, for eighty cents. If you want a more elaborate book you can, without extreme trouble, get it in two volumes, as published by the Folio Society, with a leather-and-cloth binding, and woodcuts by Edna Whyte (which I personally would be glad to spare, for they are ugly). In whichever form you get the book, you have a splendid experience before you, because it is one of the most entertaining, rich, bottomless books in English.

Mr. Coghill began his version of the *Tales* in 1946, at the request of Stephen Potter, for broadcasting on the BBC's Third Program; so popular was this first venture that during the next four years more and more Chaucer was called for, and by 1951 the greater part of the work had been offered in this form to radio listeners. There exists a series of four LP gramophone records taken from the broadcasts.

The project of broadcasting *The Canterbury Tales* exactly suited the peculiar genius of the Third Program; a company of remarkable actors was assembled, chosen for their widely divergent tones of voice and for qualities of poetic intelligence; they all possessed, not the curious bleat called an Oxford accent (though why, since it is rarely heard at Oxford or among really educated people anywhere, I cannot tell), nor yet the fluting, epicene note of the West End actor, but good, clear speech with a country flavor to it. The *Tales* were so arranged that one or two Narrators carried the story, and other actors spoke the lines given to specific characters. In addition there were a few very good sound effects. Thus simply but strongly provided, the broadcasts were given, relying upon the genius of Geoffrey Chaucer first, and upon the capabilities of the BBC very much second. The result is poetic in the highest degree, moving, exciting, uproarious, gripping and vivid.

Only the BBC could have done it, for only the BBC, among the broadcasting organizations of the English-speaking world, is willing to trust an author—in this case Chaucer *cum* Coghill—to know his business. Most broadcasters are nervously doubtful of an author's ability to tell a story, and of the patience of listeners in hearing a story. No doubt they have their reasons, though I think that some of these are unworthy, and are based upon insufficient experiment. But in this instance

Chaucer came through magnificently, and the BBC proved the doubters wrong.

If I may, for a moment, leave the main theme of this article, I should like to call your attention to an anthology called *From The Third Programme,* edited by John Morris and published by the Nonesuch Press. If you are interested in what broadcasting may be, at its best, this is a book which will raise your spirits, for it is full of fine things which were written specifically for that medium, though not for a mass audience.

In our day the radio has helped us to re-discover the pleasure of listening to the human voice, and it has re-taught us that much which can be understood through the eye is difficult for the ear whereas (and this is the greater lesson) much which we have been accustomed to take in through the eye is infinitely better —more meaningful and moving—when it is heard. For obvious reasons the people to profit most from these re-discoveries are the makers of gramophone records, rather than the broadcasters, who have not yet really decided what their aims are, and who are apt to mistrust the taste of the listening public.

Now back to Chaucer and Mr. Coghill. We have *The Canterbury Tales* in an excellent modern version, which will amuse and enrich anyone who reads it. It may, perhaps, lead a few people to approach the original, braving even such guardian dragons as Skeat and Robinson. In tackling Chaucer in the original, there are well-marked stages of progress: first, mystification; second a dawning, when the fourteenth century English seems suddenly to dissolve into great music and good sense; third, a disillusion, when the reader finds that his understanding is not so perfect as he thought it was in the second stage; fourth fuller understanding which is always in danger of toppling over into pedantry.

Yet, if the reader does not try to read Chaucer in the original, much that is splendid will be dark to him, for though the *Tales* may be the best of Chaucer they are not by any means the whole of him. Beauties lurk in those crabbed, queer lines which, when we have found the key, speak to us across five centuries with a wonderful, illuminating eloquence. But, for a beginning, here are *The Canterbury Tales* and of them alone we may say as John Dryden did, 'Here is God's plenty'.

The Canterbury Tales, by Geoffrey Chaucer, translated by Nevill Coghill — pp. 528, with introduction and notes — *Penguin—80 cents.* (The same, published in two volumes by the Folio Society.)

From The Third Programme, a ten years' anthology, edited by John Morris — pp. 339—*Nonesuch Press—price in England 21 shillings.*

Cherry Heering

Denmark's liqueur delight since 1818

ALL YOUR GUESTS WILL ENJOY IT!

Free Booklet of Danish Recipes
Beautifully illustrates Danish dishes

Write Basil Hobbs & Sons, Dept. CSN, 1227 Sherbrooke West, Montreal

The University of British Columbia
SUMMER SCHOOL OF THE ARTS
JULY 3 TO AUGUST 30, 1957

OPERA: Nicholas Goldschmidt, Robert Gill
LIEDER: Aksel Schiotz
THEATRE: Douglas Seale, Dorothy Somerset, Esmé Crampton
(Acting, Speech, Directing, Stagecrafts)
CREATIVE WRITING: Lister Sinclair
ARTS AND CRAFTS: Robert Davidson
Further Information: **Department of Extension**
University of British Columbia
Vancouver 8, B.C.

Residential School for Girls
ALMA COLLEGE

Founded 1876, High School including Grade XIII. Fine Art, Secretarial, Interior Decoration, Home Economics, Music.

Write for prospectus.

Mrs. Steele Sifton, B.A. B.Ed.
Principal

OPENS Sept. 11, 1957

ST. THOMAS, ONTARIO, CANADA

For larger offices, the 4200 electric model... stamps and seals 300 letters in two minutes!

Now every office can have one!

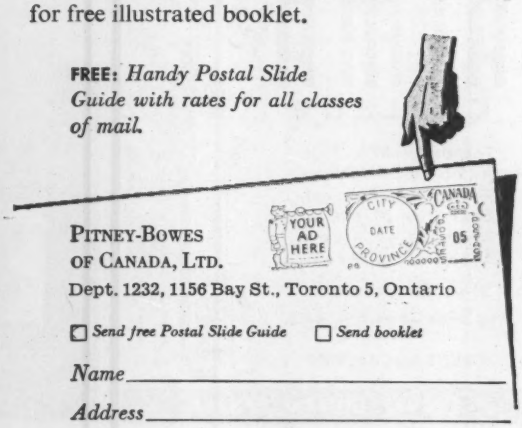
- Even if you average $1 a day or less for postage —you can have a DM, desk-model postage meter.
- The DM prints postage—any amount, for any kind of mail, directly on the envelope. With a dated postmark that helps speed your mail through the postoffice. Prints a small ad, too, if you like. Even handles parcel post.
- There's a moistener for sealing envelopes. A whole day's mail can be stamped and sealed in a few minutes. Anybody can use a postage meter, save mailing time—and postage.
- The postage meter is set by the postoffice for any amount of postage you need. Your postage in a meter is protected from damage, loss, misuse, and is automatically accounted for.
- There's a postage meter model for every office, large or small. Ask the nearest Pitney-Bowes office to show you. Or send coupon for free illustrated booklet.

FREE: *Handy Postal Slide Guide with rates for all classes of mail.*

PB **PITNEY-BOWES**

Postage Meter

Offices in 101 cities in Canada and the U.S.

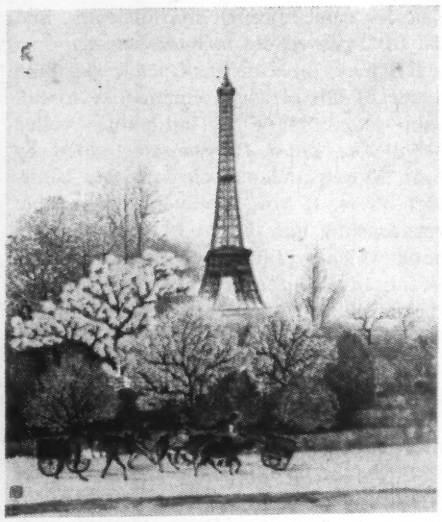


PITNEY-BOWES OF CANADA, LTD.
Dept. 1232, 1156 Bay St., Toronto 5, Ontario

☐ *Send free Postal Slide Guide* ☐ *Send booklet*

*Name*_____

*Address*_____



From "The Silent Traveller"

Amiable Viewer

The Silent Traveller in Paris by Chiang Yee — pp. 285, with a foreword by Sir William Hayter and many illustrations by the author — *Ryerson*—$6.00.

The Silent Traveller in Paris needs neither introduction nor recommendation to those who have already wandered in the company of its urbane Chinese author, Chiang Yee, through London, or Dublin, or Oxford, or Edinburgh. To those who are meeting the Silent Traveller for the first time it must be pointed out that he is no ordinary writer of travel books. All his work shows a curious mind, acute observation, a lively interest in the unusual and a fresh insight into the commonplace. Thus this leisurely-paced, amiable book will appeal just as much to those who have never been to Paris as to those to whom the city is familiar and dear.

It is handsomely illustrated with the author's full color paintings as well as many witty line drawings and further enhanced with those samples of the calligrapher's art that are his specialty.

F A. R.

Anatomy of Love

Les Belles Amours — by Louise de Vilmorin, translated by Francis Wyndham, with drawings by Dodie Masterman — pp. 192 — *Collins*—$2.50.

MONSIEUR ZARAGUIRRE is an artist who works in the medium of love. For him love is an image of the creative imagination, and, when at last he marries, he creates his masterpiece. After a life-time of practising his art with flawless technique and ruthless cynicism on the wives of other men, he creates his perfect illusion with a young widow who, until the very moment of meeting M. Zaraguirre, had believed herself deeply in love with another man.

But love, like the dance, is an evanescent art form. Mme. Zaraguirre, the ima-

ginative creation, is also flesh and blood. She makes the fatal mistake of forgetting that her value as the artificial creation of her husband's imagination is far greater than her worth as a person.

Just as the title defies translation, so it would seem inexpressibly vulgar to pin this subtle anatomy of romantic love to a theme. Its worldly wit expresses an essence of French sensibility which bears the same relation to Anglo-Saxon concepts of love as does the most expensive French perfume to English lavender cologne.

M.A.H.

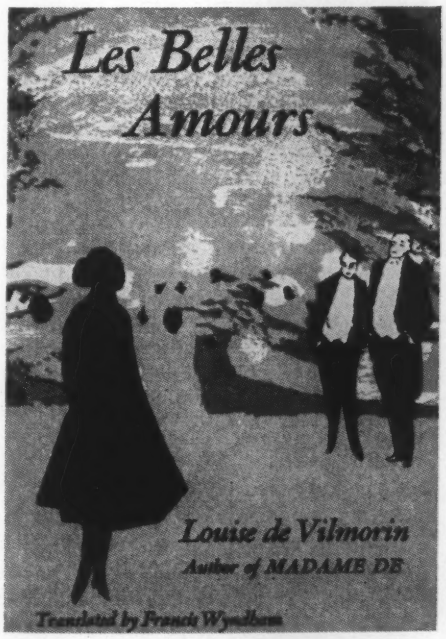
Sounding Symbols

Snow Country — by Yasunari Kawabata, translated and with an introduction by E. G. Seidensticker—pp. 175—*McClelland & Stewart*—$1.35.

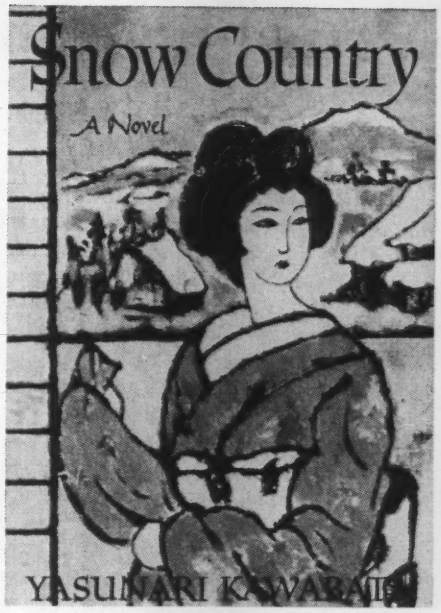
JAPAN'S SNOW COUNTRY is the unfashionable west coast which passes the long winters under deep drifts of Siberian snow. Hot-spring resorts beckon the pleasure-seeker (male, of course) who wishes to ski, to look at maple leaves or cherry blossoms according to the season, or otherwise delight his senses.

Shimamura, a rich Tokyo dilettante, is indiscreetly loved by Komako, a geisha who wants nothing so impossible as social recognition, merely a crumb of love from the detached Shimamura.

Their story is resolved in a ritualized pattern that is both novel and fascinating to the Occidental reader. Brutalities naked of sentiment are juxtaposed with the most delicate nuances of behavior. Action is a staccato beat of incidents against the rhythmic ebb and flow of seasons, of heat and cold, of light and dark, of silence and sound, of life and death. The ineffectuality of the human lovers is constantly reflected in transparent images of external



Jacket Design



Jacket Design

nature. And, as in nature, there is no pity, no tenderness, only the stark clash of elemental love and utter indifference. Quite suddenly the story disintegrates in an explosion of sounding symbols. The poetic mood remains inviolable, however. It is one which the reader will never forget.

M.A.H.

Neat Allegory

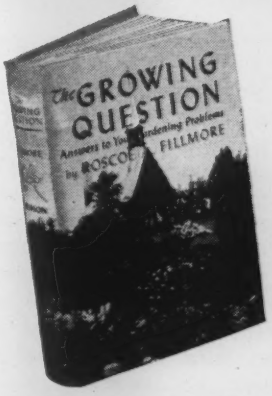
Till We Have Faces, by C. S. Lewis—pp. 320—*Collins*—$3.50.

IN THE PRIMITIVE kingdom of Glome live the beautiful princess Istra and her ugly step-sister Orual. Istra is worshipped for her beauty and thus the wrath of the goddess Ungit, or Aphrodite, is brought down on the people. Istra is to be sacrificed to appease the goddess, but is rescued from death by Ungit's son, who carries her off to his magnificent palace. It is the tale of Cupid and Psyche, old when Apuleius recorded it in *The Golden Ass,* and retold many times since, but never more compellingly than by C. S. Lewis in *Till We Have Faces.*

He has kept all the ingredients of the legend: the jealous sister, the invisible lover, the doubting wife, the crushing trials, but he has given them all a new twist. If, as Robert Graves believes, the tale of Cupid and Psyche is a "neat philosophical allegory of the progress of the rational soul to intellectual love", C. S. Lewis has inverted it so that it becomes the progress of the barbaric soul through disbelief and defiance to the wisdom of acceptance, and through the humility of love to the perfection of beauty. As a straight novel, it is an absorbing tale, but like all of Lewis's work, it is much more than that. Told in Orual's words, it sweeps the reader along as if he had never heard

CONTINUED ON PAGE 40

Leading New Books

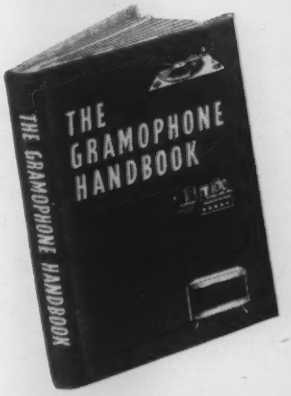


THE GROWING QUESTION

By Roscoe A. Fillmore, author of **Green Thumbs.** Authoritative information for Canadian gardeners from coast to coast. Profusely Illustrated. $5.00

LOGGING WITH PAUL BUNYAN

By John Robins. A collection of stories of Paul Bunyan, famous French-Canadian logger, told by John Robins in his inimitable style. Edited by Edith Fowke. Illustrated. $3.00



THE GRAMOPHONE HANDBOOK

By Percy Wilson, Technical Editor of **The Gramophone,** London. The most comprehensive handbook available on modern developments in High Fidelity-Sound Reproduction. $3.00

Get these Books at your Bookseller's

THE RYERSON PRESS
TORONTO

Canada's Creeping 'Me Too' Sickness

CONTINUED FROM PAGE 19

or little, and part of this state of mind is, of course, a spiritual tiredness and dryness of the imagination. Anyone can check on this by talking to successful young business men whom he knew ten or fifteen years ago. I got the same story again and again.

They drive themselves in business hours because there is always a colleague breathing down their necks and saying softly to himself, "Me Too". In the evenings they entertain or are entertained by business friends, not necessarily people they want to see at all. The other night at a party a smart business man sat down with me on a stairs, and being slightly in his cups, he sounded like a character out of Chekhov.

"When I was twenty-five," he said wistfully, "I used to read novels and plays. But not now. Now I only read articles. They give me information that may be useful. I cut the articles out of magazines and file them away. I haven't got time for anything else. It's just too much of a rat race."

As for the drying up of the imagination that I mentioned (and this may have a lot to do with the Canadian cravings for conformity), I tell the following story. These days a great many young business men are going to schools where they learn to increase the speed of their reading. You know — take in a page at a single glance. Save time, time, time. Well, I heard of some interesting reflections from one of these teachers. He was surprised, he said, to find that young executives increased their reading speed rapidly when working on articles or any other kind of factual information. But they made little progress when dealing with a work of the imagination. It looked to him, he said, as if a lot of pretty bright business men were forgetting how to use their imaginations. I say they are casualties of the times.

This brings us to the root of the whole matter. Isn't this Me Tooism a negation of democracy which is supposed to be based on a recognition of the dignity of the individual? If it is, then let us recognize the necessity in this country of some kind of an artistocratic class formed of colorful men with minds of their own. I know aristocracy is a dirty word in our time, but I call Thomas Jefferson a democratic aristocrat. While declaring it self-evident that all men were born equal, he made it perfectly obvious by his own life that such was not the case.

Where is this new class of men respecting leisure and reflective idleness to come from? I'm not sure. But I have enough faith in the human spirit to know it must come if Canada is not to become a big railroad station with a soap opera on a giant television screen to divert those who are waiting to catch a train.

I used to think that this independent class might come from the universities—the sons of men who themselves have graduated and done well. Now I have my doubts. There was a time when leisure and reflective idleness were considered to be necessary parts of a student's life. Not now though. Students are kept as busy as business men. And I'd have to admit that the university student body in Canada is the most conservatively respectable student body in the world. An intellectual bohemia, which should be a frontier of the mind, hardly exists.

What about our expanding class of millionaires? The class has expanded too quickly and too rapidly. These men have had no chance to have anything in common except their money, which, I admit, is a hell of a lot. But they are too busy to be concerned with social problems. Some of them are too busy becoming respectable to pause dramatically and ask themselves if it is what they really want.

Across the country there are a good many men of established position who mould opinion. I used to call them "the moulders' club". Unfortunately, they have been concerned mainly with national politics and international affairs. But something might be done with them.

I have a suggestion for the Canada Council. Let the Council set aside for yearly expenditure one hundred thousand dollars to bring together these men and more colorful candidates, who have shown a talent for independence or even for being splendid screwballs, for a rich ribald semi-annual holiday, with the solemn understanding that it will be their job to work all year round against the common grain.

Joe McCulley and his Better Bets

CONTINUED FROM PAGE 21

alarmed the more conservative—"particularly the sophomores, who are great traditionalists". However Hart House withstood the shock and there have been no further invasions of its monastic tradition.

Actually, he claims, the monastic tradition in relation to Hart House has been greatly exaggerated. Hart House originated when a special need and a particular opportunity happened to occur simultaneously. An institution was needed that would include all the men of the University, and since there was no way of including all the women their exclusion followed automatically. It was not, however, a deliberate policy. Women students haven't always been able to reconcile themselves to this distinction, and neither, perhaps, has Warden McCulley, who has always had a bias in favor of shared privilege. As far as possible he has modified Hart House policy to include all students. "After all, we're not living in the Fourteenth Century," he says mildly.

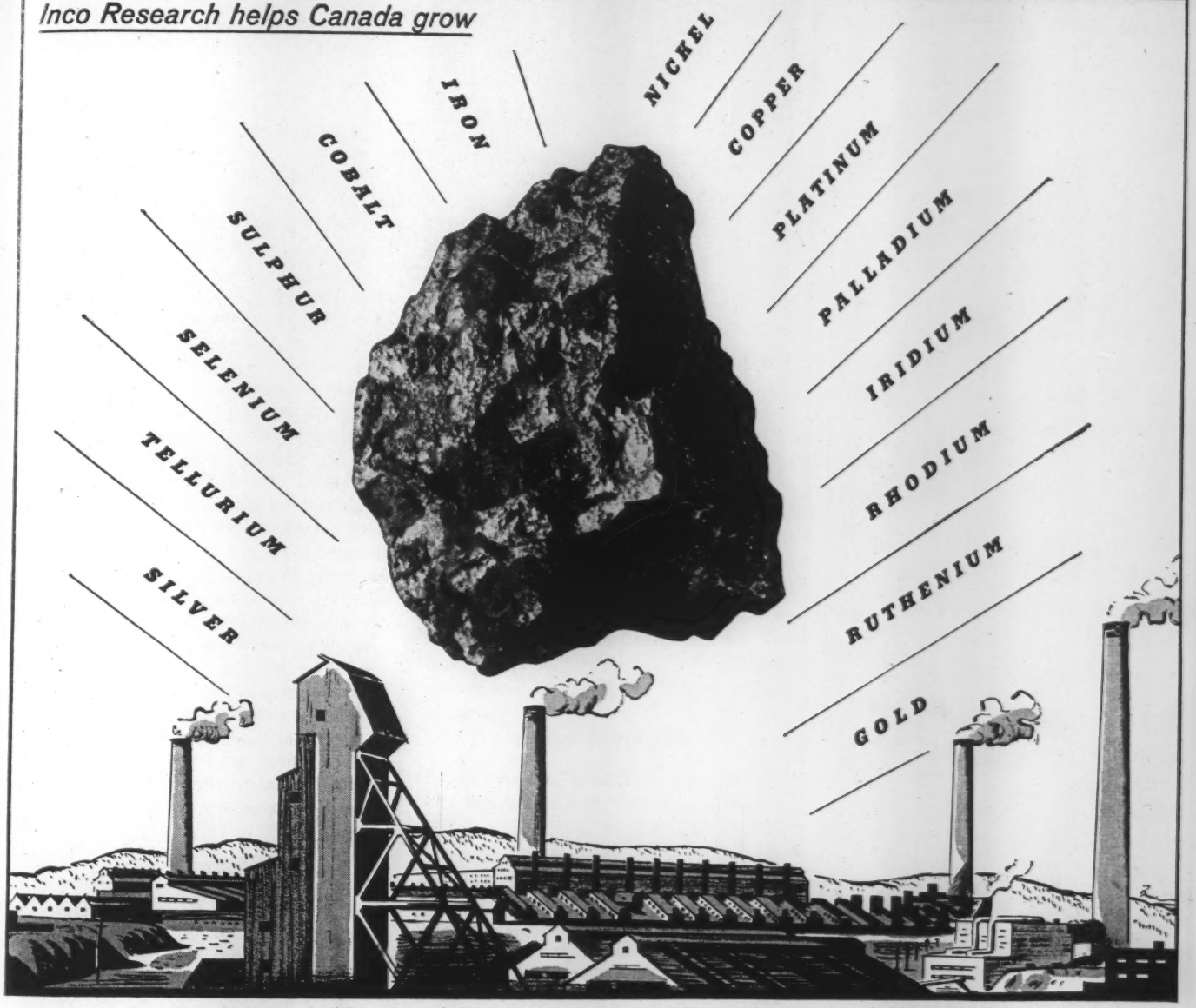
Certainly it was a long step into the Twentieth Century when the Warden of Hart House became host on a commercially-sponsored television program. In fact, it was quite a long step for Joe McCulley himself.

The program, though strictly indigenous in subject matter and general approach, derives to some extent from Ed Murrow's *Person to Person* program. At the time of his appointment as host of *Graphic*, Joe McCulley didn't own a television set and had never, to his knowledge, set eyes on Ed Murrow. However, matters worked out with surprising smoothness after initial difficulties were adjusted. McCulley adapts himself easily to new circumstances and the *Graphic* officials were eager to do everything possible to make him feel at home. They arranged a familiar background for the program (the Warden's own favorite chair set up in front of a thickly-banked book-case), instructed him in the use of the Teleprompter, and as far as possible arranged a program of interviews with people of congenial personality. The latter aspect of the program offered few difficulties. Joe McCulley has always found the human race naturally congenial, and once he had mastered the technical difficulties of his new job, found himself comfortably at home in it.

He has now bought himself a television set, though he continues to keep it out of sight. "After all, we use the apartment chiefly for discussion, conversation and listening to recorded music," he explains. He no longer uses the Teleprompter but refers instead to the script-book, which he keeps openly on his knee. He has still, however, to see an Ed Murrow show. "If I'm going to make any mistakes I prefer to make my own," he says.

It still bothers him a little, too, that it takes from fifty to a hundred people to put on a show of which he is the centre. It doesn't seem a fair allotment of responsibility.

Inco Research helps Canada grow



A vast network of Inco mines and plants now obtains 14 elements from ore once thought to contain only copper. Millions are being spent each year for Inco research to recover new products and develop better methods.

NEW WEALTH FOR CANADA FROM INCO ORES

Inco Research finds ways to recover 14 different elements from Inco's Sudbury ores

IMAGINE—14 elements from one ore deposit! But it wasn't always that way. At first Inco ore was mined for one metal—copper. It turned out that the ore contained more nickel than copper. To make use of the ore at all, research had to work out a method of separating the nickel from the copper.

Since that time, Inco research has developed ways of recovering twelve other elements, most of which are present in the ore in minute quantities.

Gold and silver came first, recovered from the sludge left after refining nickel and copper. Then one after another came platinum, palladium, rhodium, ruthenium and iridium; selenium and tellurium.

Sulphur gases are recovered in large and increasing quantities for conversion into industrial products.

After several years of cobalt oxide production, electrolytic cobalt was added to the list of Inco products. In 1955, a 19-million dollar plant was built to obtain exceptionally high-grade iron ore previously lost in the slag.

Thus does Inco research continue to develop new products and processes that help stimulate the growth of Canadian industry and provide jobs for Canadians.

INCO
TRADE MARK

Write for free copy of the illustrated booklet, "The Romance of Nickel".

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED
25 KING STREET WEST, TORONTO

Producer of Inco Nickel, Nickel Alloys, ORC Brand Copper, Cobalt, Tellurium, Selenium, Iron Ore and Platinum, Palladium and other Precious Metals.

You Live Better Because of Copper

"I've never had to replace these BRONZE SCREENS"

If *your* screens are forever rusting or rotting out, why not replace them with enduring, rustless screening of Anaconda Bronze (a copper alloy). Anaconda does not make screening but supplies bronze wire to manufacturers who do.

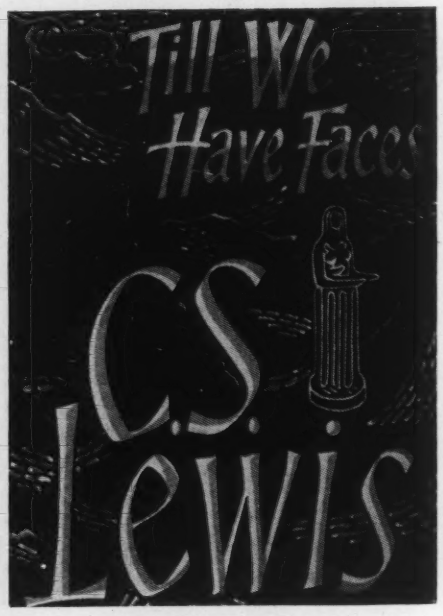
You'll be glad to know that you can defy time, insects and weather with screens made from Anaconda Bronze Wire —available at your local hardware store.

C-5709

Write today for FREE booklet, "How to Buy, Build or Modernize Your Home."

ANACONDA

ANACONDA AMERICAN BRASS LIMITED
New Toronto, Ontario
Sales Offices: Montreal and Vancouver



Jacket Design

CONTINUED FROM PAGE 37

it before and had to find out how it ended so that for once "fascinating" can be applied to a novel without distorting the word's original meaning.

Musical Girls

The Strange Enchantment, by Geoffrey Cotterell—pp. 509—*McClelland and Stewart—$3.75.*

WAS IT ILL LUCK, or weakness of character, or a combination of the two which came between Isobel Rowlands and the realization of her hopes at so many of the important moments in her life? Whatever it was, it was the 'strange enchantment' which gives this book its title. It was the quality which kept her from being a brilliant pianist, which might have been expected of her; it was also the quality which decided the nature of her death.

This long, carefully plotted and ably written novel covers a period of forty years, beginning in 1898. Its theme—the influence of character on destiny—is worked out in detail, but without tiresome moralizing or conclusion-drawing. The only oddity in the form is the great amount of space which is given to an account of student life in Nazi Germany, as it is lived by Isobel's nephew David; interesting as it is, we wish that Isobel and her curious burden were not kept so long out of the limelight.

Because they are both about musical girls, this novel is likely to provoke comparison with *The Fountain Overflows,* and the advantage is likely to remain with Rebecca West. Nevertheless, *The Strange Enchantment* is an understanding, serious treatment of an eternally engrossing theme.

B.E.N.

Gruesome Game

A Mirror of Witchcraft, by Christina Hole —pp. 252 & index, illustrated—*Clarke, Irwin*—$4.50.

THE MORE WE READ about witchcraft, the more we recognize that the remarkable thing is not that people once believed in witches and fairies, but that we do not do so today. Our credulity is no less than it was three centuries ago, and Miss Hole records plenty of recent cases of witchcraft, the latest being dated 1954. But the great age of witchcraft appears to have been the seventeenth century, and this book provides a very good survey of the evidence which served at that period to identify witches.

For the reader who wants theory, however, this book will be unsatisfactory. Miss Hole is a discreet folklorist; she will have nothing to do with the attempts to trace witchcraft to old fertility religions which have provided such lively reading during the past ten years or so in the writings of Margaret Murray. She is content to record what the witches seemingly did; she does not attempt to say why, or with what effect. What her book offers, therefore, is a record of what appears to have been a mass delusion. Yet it is incredible that witches ran the risks they did for no reason other than to satisfy popular superstition. There must have been something greater behind witchcraft, which made the gruesome game worth the corpse-candle.

S.M.

December Bride

The Art of Being Happily Married — by Andre Maurois — pp. 145 — *Musson* — $2.95.

THIS BOOK comprises a series of twelve radio programs, which have been enormously successful in Europe in ten languages. If anything could dispel the North American delusion that the French understand love and marriage better than we do, this book should do it, for it is questionable if any of our own radio writers, trying their hardest, could bring a cheaper, more vulgar, shoddier spirit to this theme.

Mons. Maurois' hackneyed device has been to course his married couple through the stock situations, beginning with courtship and ending at the silver wedding, demonstrating how each problem should *not* be approached, and then showing how the truly enlightened couple manage it. But the ineptitude of the negative examples is only rivalled in distastefulness by the slickness of the positive ones.

How Maurois, who has in the past shown competence, came to write this seedy mélange of *Father Knows Best* and *December Bride* must forever remain a mystery. But one point is clear; forty million Frenchmen — if they are radio listeners — *can* be wrong.

B.E.N.

Arnold Toynbee

The Tireless Spirit

A Study of History, by Arnold J. Toynbee, abridged by D. C. Somervell—pp. 393 & index—*Oxford*—$5.50.

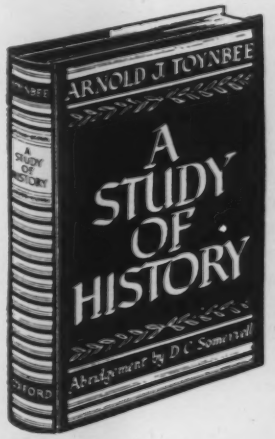
HERE IS THE awaited condensation of the final four volumes of Toynbee's ten volume history of mankind; Mr. Somervell has, as in the first volume of this abridgement, done a neat job of boiling down. We may sometimes wish that he had done some rewriting as well, for Toynbee has a knotted, lumpy style. If it were really true that "writing is thinking" (and not a dangerous half-truth) Toynbee's work would stand condemned. Even as it is, his massive generalizations are more than many of us can swallow.

His historical perspective, however, is humbling and breath-taking; we cannot read these pages without revising our notions of where our scrap of Western civilization fits in the patchwork of history, and without a chilly recognition of its impermanence and essential parochialism. Nor can we easily resist his assertion that it is the religions of mankind which shape destiny—not merely what is ardently asserted and defended, but also (and perhaps even more powerfully) what is taken for granted. Nor can we easily dispute that in our spiritual outlook lies at once our greatest hope and greatest danger. Yet, if we go the way of Sumer and Byzantium, who can doubt that the tireless human spirit will try again?

S.M.

'Toynbee's A Study of History . . . *ranks without question as one of the greatest intellectual achievements of our century.'*

—Clifton Fadiman.



Abridgement now completed

Volumes I-VI, abridged	$6.50
Volumes VII-X, abridged	$5.50

Oxford

MAIL OFTEN throughout the day!

Plane and train schedules cover the full 24 hours through the day. In order to take full advantage of all transportation facilities for First Class Mail,

MAIL EARLY and OFTEN throughout the day!

SPEED YOUR MAIL!

Air Parcel Post helps speed your parcel mail—enquire at your Post Office for complete information. Be sure to have your Overseas Air Mail carefully weighed; prepay postage in full and prevent embarrassment with business contacts abroad.

CANADA POST OFFICE

Empire to Commonwealth

CONTINUED FROM PAGE 15

pounds allocated since World War II to colonial development and welfare funds.

Each of these children in the imperial brood is potentially an independent state, when time and technique and resources suggest the hour of preparation has arrived. Technical assistance and capital assistance were present here in abundance long before these programs became fashionable after World War II; and, while Cyprus has been a disastrous exception, Ghana yesterday and Nigeria tomorrow, with Singapore and Malaya and Tanganyika around the corner, are all evidence of good will and good sense in imperial councils.

The Commonwealth today represents, therefore, the graduates of the school of Empire. With the United Kingdom as a kind of first among equals, there follow in point of time and seniority Canada, Australia, New Zealand, South Africa, India, Pakistan, Ceylon and Ghana, while midway between colony and nation stands the Federation of Rhodesia and Nyasaland awaiting constitutional and ethnic formulas to bring it fully into the sovereign family.

The relationship of the Empire, strictly so-called, to the Commonwealth is that somehow or other both share a common governmental history, reflect and take advantage of the glory of a common and special international mechanism. In practice, however, the administrator of the "Empire" is only one member of the Commonwealth, the United Kingdom — except for the few territories administered by Australia, India, New Zealand and South Africa.

Yet each member of the Commonwealth is much more than it would have been in the calculations of world power if no Commonwealth existed. Indeed, it might be said of the United Kingdom that her weight in world affairs rests partly upon a congeries of minor and major colonies and protectorates but equally upon her relations with large Asian states such as Pakistan and India and influential middle-rank ones such as Canada and Australia. Just as these have borrowed glory and power from the United Kingdom, the U.K. is more than a European island because of them.

In a real sense, therefore, members of the Commonwealth possess the atmosphere of political prestige, if not always of power, to give each other. But power is many-headed and it can often be a by-product of this historic and informal unity.

Perhaps here lies the largest claims to allegiance and continuity in the Commonwealth idea: namely, that it provides for a system of states whose relations permit the by-passing of the formal requirements that mark the usual needs of international transactions. Information and consultation with the frankness and the freedom of a family often is possible here. But just as families face strong centrifugal tendencies as maturity descends on eager shoulders, so in the Commonwealth the idea of family does not provide unanimity. Indeed, it is an interesting human parallel that members of the Commonwealth family probably resent the intrusion of each into the other's own vital affairs more than the good offices of an outsider. The stranger who is a friend can be less hurtful than a sister.

Just as consultation broke down acutely in Suez, so chronically the economics of the Commonwealth have given the appearance of cross purposes for over a generation. The Ottawa Agreements realized in part the early Joseph Chamberlain dream of a great imperial market, but only in part. Since that day the pressures of intra-North American trade on Canada on the one hand, and more recently the growing attraction of the United Kingdom to Europe on the other, have now provided two great qualifications to the Commonwealth as an economic conception. U.K. dollar earnings have been well served by Commonwealth and non-Commonwealth members of the sterling areas; London could not easily face the loss of dollar earnings from the cocoa of Ghana and the silver and rubber of Malaya. Yet these are now or are about to be independent states, and they may or may not always make use of membership in the sterling area or of imperial preferences.

No discussion about the Commonwealth and its future can be real without recognizing the special role of the United States and the embracing presence of the United Nations. The U.S. impinges like a rich, powerful and omni-present relative on the doings and thinking of the amorphous Commonwealth family.

With Canada, Washington has unique continental relations. With Britain she retains an alliance upon which the structure of Western strategy heavily depends. With Australia and New Zealand she has joined in a defence of the South Pacific, a tri-party arrangement that excluded the mother country. With Pakistan she has special security relations underscored by Karachi's membership in the Bagdad Pact. With India a rapprochement — imposed by a new unity of ideas in response to Suez and fostered additionally by Mr. Nehru's personal dealings with the President — has emerged to become a vital part of U.S. Asian policy in collateral support of the Eisenhower Doctrine and as a counterpoise to the power of Communist China.

Such intimacies as the United States and the Commonwealth have at so many points and for so many reasons inevitably have resulted in a permanent North American shadow touching the Commonwealth world wherever its sun sets.

In the United Nations the other major perspective of the Commonwealth as an institution is to be found. Consultation there takes place between members, but as with imperial conferences, unified policies rarely follow. Yet the bitterness and acerbities that divide the white and the colonial, and that dominate so often the recent votes and debates in the General Assembly, are replaced a little by the understanding that pervades this voluntary family.

Again, India is by far a more important country because of the United Nations than she would be without it and her importance in the United Nations is also in part a reflection of her role and experience in the Commonwealth. By contrast South Africa, finding the United Nations uncomfortable for the time, is perhaps more friendly to the Commonwealth than for many years past and republican cries in Capetown are today less shrill than they were a few years ago.

What are the Commonwealth prospects? The United Kingdom whether it likes it or not — and probably it does like it— will continue to have the strained pleasure of playing midwife to scores of peoples and places in their growth to independence. In the course of these ministrations she will be hissed and booed by the Soviets and the Arabs but very likely little or not at all by those parts of Africa and Asia that once knew her sovereignty.

The economics of the Commonwealth will find an increasing change in the impact of the General Agreement on Tariffs and Trade on the older preferential arrangements; at the same time the United Kingdom will move slowly towards greater trade with Europe in the proposed Free Trade Area, except for special agricultural reservations in favor of colonies and Commonwealth states.

Finally, the Commonwealth, whether symbolized by the Crown or by a common liberal approach to political institutions and public law, will continue to provide a meeting ground more informal, more uninhibited and perhaps more "uncommitted" than the multi-lateral meeting places of more conventional and demanding institutions such as NATO, the United Nations, or even SEATO.

The search for Commonwealth secretariats or cabinets, for common economic and security policies is likely to be a search in vain; but out of Commonwealth may be emerging a "community", more intimate than that which the United Nations can provide, although with less impact on strictly formal obligations to, if not on the spirit of, world order.

James Karfilis

A Definite Goal

His career during the last few years has become a familiar lunch-time topic to Bay Street habitués.

"I THINK a man needs three qualities to be a success—confidence in himself, a definite goal, and *drive.*" This simple explanation comes from 29-year-old James Karfilis who owns four restaurants known as the "Canadiana" chain, the Stagedoor, a spanking new restaurant-night club in the heart of downtown Toronto, associations with six mining companies, and a partnership in the brokerage firm of E. M. McLean & Co. in Toronto. Six years ago he was making $3,200 as a public school teacher in Toronto.

His career during the last few years has become a familiar lunch-time topic to most Bay Street habitués. As one Toronto broker put it, "Sure I've heard of him—tell me, who hasn't?"

Success didn't come easily. But, as he says, "I always have set certain goals to work for, and I think that's been a great help".

It wasn't long after he landed in Toronto from Greece (at the age of six) that he set his goals. Raised in the low-income "Cabbagetown" section of Toronto, he soon attained the boyhood triumph of having the largest paper route in the area. When he entered high school he spent Friday nights, Saturday and Sunday waiting in a nearby restaurant for $5 a week to help his needy parents. His old employer still remembers him as "the best waiter we ever had".

After high school, Karfilis studied medicine at the University of Toronto. At the end of his second year he married and money became his first consideration. He decided to leave the university "after much thought", and enrolled in a one-year course at Normal School to qualify as a teacher. For five years he taught grades seven and eight at Ogden St. Public School (salary $3,200 a year), but family expenses piled up with the arrival of two daughters. "Then I knew I wanted to get into the business world and make some money".

Because of his background in the restaurant business, he waited until he saw "the right one" for sale. After persuading a fellow teacher and the caretaker at the school to join him as partners, he bought a small restaurant in downtown Toronto. "The three of us tried to manage it properly while still keeping our respective jobs at the school, but it was impossible to do a decent job".

The partnership was finally dissolved, and Karfilis held on to the restaurant with borrowed money, although he admits, "business was very poor". Just when he thought he had "hit rock bottom" he sold the restaurant at a handsome profit, and after paying off his creditors he left teaching and went into the business on a "full-time basis". That was six years ago. Since then he has parlayed the profits of his restaurants (he once owned seven) into the brokerage business and the Stagedoor venture, in which his partners are Jackie Rae, radio and TV personality, and Frank Peppiatt, the writer of the *Jackie Rae Show.*

Although he is happy as a business man, Karfilis often reminisces, and talks about "the kids at school, and the wonderful times I had with them. I miss teaching, there's no doubt about it".

He has no permanent office; he travels between his restaurants and other ventures in a '54 Monarch. He usually manages to lunch at the Stagedoor with business acquaintances, but conversation is always interrupted by one phone-call he never refuses—his daughters call him every day and tell him what went on in school.

His interests mean late hours for him, and he ruefully admits, "I don't spend nearly as much time with my wife and three daughters as I would like". He does, however, reserve week-ends exclusively for his family. Business hours start at 9 a.m. and it is usually around 9 or 10 o'clock in the evening before he pulls into the driveway.

He still owns the same house in South Kingsway, a suburb of Toronto, that he bought while he was a teacher—"I don't see any reason to move right now. We're still comfortable in it, and most important, Peggy and Jane are going to an excellent school".

In 1952 Karfilis ran as the Liberal candidate in St. David's riding during the provincial election. He lost, but "I gained a great deal of knowledge and experience".

During leisure hours on week-ends he enjoys reading financial news, watching wrestling and boxing on TV. An excellent speaker who relishes controversy, he enjoys talking to friends on subjects ranging from welfare work to philosophy. According to one of his close acquaintances, "Jim will start a conversation on any topic you bring up. He loves to ask people questions about themselves and their own desires. Before you know it you're telling him your life history".

His talent for communication has been inherited by two of his three daughters. Jane, 9, and Peggy, 6, have become well-known in television. Together they have been in more than 50 shows. Karfilis is not stressing this ability—"I want them to become interested in other subjects as well".

He claims he has no special goal for the near future, although he does want to devote more time to the brokerage business. "I guess I want what most of us do, success, and even more important, a sense of worthwhile achievement."

CANADIAN PACIFIC RAILWAY COMPANY

76th ANNUAL REPORT OF THE DIRECTORS TO THE SHAREHOLDERS (Abridged)

Your Directors have the honour to report the results and developments of the past year.

The year 1956 was outstanding in the development of Canada. The volume of freight service performed by your railway, measured in ton miles, moved upward for the third successive year and exceeded the 1955 volume by 18%. The general upsurge in construction activity was marked. Associated with the building of western oil and gas pipelines was a rise in manufactured iron and steel products. A decided improvement in grain exports resulted in a substantial increase in the movement of grain and grain products.

Railway revenue, which for the first time exceeded the half-billion dollar mark, was 13% higher than in 1955 and 7% above 1953, the previous record year. Costs, however, increased substantially and as a consequence the improvement in net earnings was not as great as might have been expected. The return earned on railway net investment was only 3.15%.

Settlements providing for progressive wage increases and other benefits were made with all major groups of employees. To meet the cost of these settlements and the effect on material prices of steadily mounting inflation, your Company on May 15 joined with other railways in Canada in a request to the Board of Transport Commissioners for an immediate increase of 15% in the general level of freight rates excepting statutory grain rates and rates which are related to those in effect in the United States. The Board granted an interim increase of 7% which became effective July 3, and following hearings later in the year, granted a further 4% interim increase effective January 1, 1957. Judgment on the balance of the application was postponed pending further hearings. Rates on international and related traffic were increased by an average of approximately 5.5% effective March 7, and by approximately 5% effective December 28. The total addition to railway revenue from freight rate increases was $12.0 million, an amount not sufficient to offset the impact of higher wage rates and material prices, which added $16.2 million to operating expenses.

Other Income amounted to $30.0 million, an increase of $2.3 million over the comparable income for the previous year. Net income from petroleum rents, royalties, reservation fees, and land rents, formerly accounted for through Land Surplus Account and now included in Other Income, amounted to $5.3 million after provision for applicable income taxes.

Net Income amounted to $55.6 million, which, after providing for dividends of 4% on Preference Stock, regular dividends amounting to $1.50 per share and an extra dividend of 25c per share on Ordinary Stock, left a balance of $28.2 million available for modernization and other corporate purposes.

Capital expenditures for modernization and expansion and for replacements totalled $107 million. Of this amount $25 million was for the purchase of 113 diesel locomotive units as the change-over from steam operations was pressed forward.

As of January 1, 1956, in order to comply with the Uniform Classification of Accounts prescribed by the Board of Transport Commissioners for Canada, certain accounting transfers and adjustments have been made, and references to these are given in subsequent sections of the Report.

The Income and the Retained Income Accounts of your Company show the following results for the year ended December 31, 1956:

INCOME ACCOUNT

Railway Revenue		$ 505,262,393
Railway Expenses		463,926,566
Net Earnings		$ 41,335,827
Other Income		30,034,463
		$ 71,370,290
Fixed Charges		15,752,302
Net Income		$ 55,617,988
Dividends:		
Preference Stock	$ 3,079,820	
Ordinary Stock	24,379,013	
		27,458,833
Balance transferred to Retained Income Account		$ 28,159,155

RETAINED INCOME ACCOUNT

Profit and Loss Balance, December 31, 1955		$ 314,929,852
Land Surplus, December 31, 1955		101,685,263
Retained Income (Balance), January 1, 1956		$ 416,615,115
Balance of Income Account for the year ended December 31, 1956	$28,159,155	
Net Proceeds from Sales of Lands and Townsites	6,473,631	
Excess of considerations received for sales of properties over book values, and miscellaneous items	1,731,968	
		36,364,754
Retained Income (Balance) December 31, 1956, as per Balance Sheet		$ 452,979,869

HIGHLIGHTS

YEAR'S RESULTS	1956	1955*	Increase or *Decrease*
Railway Revenue	$ 505,262,393	$ 448,361,441	$56,900,952
Railway Expenses	463,926,566	411,233,650	52,692,916
Net Earnings	41,335,827	37,127,791	4,208,036
Ratio Railway Expenses to Railway Revenue	91.8%	91.7%	0.1%
Other Income	$ 30,034,463	$ 27,777,820	$ 2,256,643
Interest and Rental Charges	15,752,302	16,188,820	*436,518*
Dividends—Preference Stock	3,079,820	3,136,227	*56,407*
—Ordinary Stock	24,379,013	20,792,013	3,587,000
Balance for Modernization and Other Corporate Purposes	28,159,155	24,788,551	3,370,604
YEAR-END POSITION			
Property Investment	$2,131,967,133	$2,061,033,838	$70,933,295
Other Investments	151,903,602	152,606,292	*702,690*
Funded Debt	156,085,000	169,651,000	*13,566,000*
Reserves	891,654,110	848,452,406	43,201,704
Working Capital	114,080,546	117,490,662	*3,410,116*
TRAFFIC			
Tons of Revenue Freight Carried	65,838,251	58,490,900	7,347,351
Revenue Passengers Carried	8,906,288	9,585,468	*679,180*
Revenue per Ton Mile of Freight	1.39c	1.43c	*0.04c*
Revenue per Passenger Mile	2.89c	2.81c	0.08c
EMPLOYEES			
Employees, All Services	90,499	86,789	3,710
Total Payrolls	$ 322,679,601	$ 293,018,422	$29,661,179
Average Annual Wage	$ 3,566	$ 3,376	$ 190

*Restated, for comparative purposes, to reflect transfers and adjustments made in accounts as of January 1, 1956.

Railway Operations

Net railway earnings, at $41.3 million, were $4.2 million higher than in the previous year. The ratio of net to gross earnings was 8.2% as compared with 8.3% in 1955.

In conformity with the new Classification of Accounts, railway results now include those of leased Electric Lines, formerly accounted for through Other Income, but no longer include the results of Great Lakes Steamships, which are now accounted for in Other Income. The net effect of these changes on 1956 results was a transfer from Railway to Other Income of net earnings amounting to less than $100,000.

Railway Revenue amounted to $505 million. This was $57 million higher than in 1955 and 7% above the previous record established in 1953. Freight revenue accounted for most of the increase over 1955, having risen $55 million, or 15%—$43 million as a result of increased traffic volume and $12 million as a result of increases in freight rates.

Freight traffic volume measured in ton miles increased 4.7 billion, or 18%. The movement of low rated grain was 31% above that of 1955. There were marked increases in the movement of other agricultural products, coal, crude petroleum, lumber, timber and plywood, farm implements and tractors, machinery, pulpwood, paper, manufactured iron and steel products and other manufactured goods. There were a few decreases, including cement, coke, gasoline and other petroleum products. Owing to the greater increase in the movement of low rated grain as compared with other commodities, there was a decrease in the average revenue per ton mile.

Passenger traffic volume was down slightly. There was a decrease as a result of the unfavourable summer weather in Eastern Canada and there was a decrease in military traffic. Patronage of your transcontinental trains "The Canadian" and "The Dominion", however, continued to show improvement. Some unprofitable passenger train services were curtailed.

Express traffic volume was higher and some rates were increased. Expenses rose also, chiefly as a result of increases in wage rates. The net earnings of your Express Company, carried to railway earnings as compensation for the carriage of express traffic, were up 7%.

Railway Expenses amounted to $464 million, an increase of $53 million. The rise resulted from the expansion in traffic volume, from increases in wage rates, which added $12.7 million to expenses, and increases in material prices, which added $3.5 million.

Higher charges to maintenance accounted for almost half of the increase in total expenses, road maintenance expenses having increased by 20% and equipment maintenance expenses by 12%.

Road maintenance expenses have heretofore included the cost of replacing ties, rails and other track elements. Capital account is now charged with the replacement of these elements and maintenance is charged with depreciation accruals to provide for the annual loss service value. Such accruals totalled $17.6 million for the year.

Equipment maintenance included the general repair of 424 steam locomotives, periodic repair of 321 diesel-electric units, the heavy repair of 35,855 freight cars, and the general repair of 639 passenger cars. Locomotive repair expense was higher as more diesel units came due for more extensive overhaul and a greater number of steam units was repaired to assist in handling the increase in traffic volume.

Transportation expenses increased by 9%, compared with an increase of 13% in transportation service gross ton miles. The ratio of transportation expenses to railway revenue, at 37.6%, again showed a decrease and was at its lowest point since 1945. About two-thirds of the total increase in gross ton miles in freight service was handled by diesel power. Although it was necessary to use the less efficient steam power for the remainder, gross ton miles per freight train hour increased from 34,421 to 36,136, continuing the trend of the previous six years. The proportion of total transportation work performed by diesel power in the year averaged 48% in freight service, 72% in passenger service and 68% in yard service.

Other Income

Other Income, after income taxes, amounted to $30.0 million. This was an increase of $2.3 million over the previous year.

Net earnings of steamships were $3.8 million, an increase of $3.1 million. Freight revenue from your ocean steamships was substantially above that of 1955 owing to an increase in freight carryings, particularly of grain and flour, and to generally higher cargo rates. There was a rise in the volume of passenger traffic to which the entry into service of the "Empress of Britain" was a major contributing factor. Net earnings from coastal operations increased, owing mainly to an improvement in passenger revenue.

Net earnings of hotels, at $802,000, decreased by $455,000. There was a rise in revenue, but a greater increase in expenses resulted from changes in wage rates and working conditions.

Net earnings from communication services were $2.8 million, a decrease of $187,000. Gross revenue increased as a result of expanding leased wire business and an increase in the volume of telegraph message traffic, but increases in wage rates and material prices more than offset the improvement in revenue.

Dividend income was $15.8 million, down $93,000 from the previous year. Dividends from your holdings of the Capital Stock of The Consolidated Mining & Smelting Company of Canada, Limited, which were at the rate of $1.65 per share out of earnings of $1.83, amounted to $13,880,625, as compared with dividends in 1955 at the rate of $1.75 per share out of earnings of $2.01, amounting to $14,721,875. The decrease was largely offset by receipt of a dividend from your Air Lines and an increase in dividends from your United States subsidiaries.

Net income from petroleum rents, royalties, reservation fees, and land rents, before provision for income taxes, amounted to $9.3 million, an increase of $584,000. In previous years the proceeds from these sources were credited directly to Land Surplus Account. Royalties were received from crude oil production of 18.1 million barrels. The number of producing wells increased from 718 in 1955 to 765 in 1956.

Net income from interest, separately operated properties and miscellaneous sources

amounted to $6.9 million, an increase of $464,000. There was an increase in interest from temporary cash investments and a decrease in interest from the Steamship Replacement Fund, which is now fully depleted.

Fixed Charges

Fixed charges amounted to $15.8 million, a decrease of $437,000. The reduction resulted principally from the conversion into Ordinary Capital Stock of some of the outstanding collateral trust bonds and the redemption of equipment trust certificates.

Net Income and Dividends

Net income after fixed charges amounted to $55.6 million, $6.9 million above that of 1955 restated on a comparable basis. After provision for dividends on Preference Stock, earnings available for dividends on Ordinary Stock and for reinvestment amounted to $52.5 million. This was equal to $3.76 per share on 13,949,169 shares of Ordinary Stock outstanding at the end of the year, compared with $3.28 per share on 13,878,173 shares at the end of 1955.

Dividends were declared on Preference Stock at the same rate as in 1955, comprising 2% paid August 1, 1956, and 2% paid February 1, 1957. Ordinary Stock dividends amounted to $1.75 per share comprising a regular dividend of 75 cents paid August 1, 1956, and a regular dividend of 75 cents and an extra dividend of 25 cents paid February 28, 1957.

Land Transactions

The results of sales of lands and townsites are now accounted for as an item in Retained Income Account, instead of through Land Surplus Account as in former years. The net proceeds from sales in 1956 amounted to $6.5 million, an increase of $1.8 million. Sales included 10,476 acres of farm lands and 24,083 acres of timber lands. Contracts involving 7,278 acres of land sold in prior years were cancelled.

Balance Sheet

As of January 1, 1956, concurrently with the adoption of depreciation accounting for track elements in accordance with the new Uniform Classification of Accounts, investment in ties, rails and other track elements was restated to the cost of property in service. The excess of this cost over the recorded investment was credited to depreciation reserves. Previously, renewals of track elements had been charged to expenses, thereby perpetuating recorded investment at the cost of the property when first installed.

The amount of donations and grants formerly deducted from property investment was transferred to the liabilities side of the Balance Sheet; investment in leased Electric Lines was transferred from the category Other Investments and is now included as a part of railway properties; and investment in Great Lakes Steamships, previously included in the property investment account Railway, Rolling Stock and Inland Steamships, was transferred to the property investment account Steamships. The caption of the account Railway, Rolling Stock and Inland Steamships has been changed to Road and Equipment, and that of the account Ocean and Costal Steamships has been changed to Steamships.

The balances of Land Surplus and Profit and Loss were combined in a new account, Retained Income, which together with the various other items comprising the shareholders' interest in the Company, is now included under the heading Shareholders' Equity.

Total assets at the end of the year amounted to $2.5 billion, an increase of $89 million over the comparable figure for 1955.

The net addition to property investment during the year after retirements was $71 million.

Preference Stock of Canadian Pacific Air Lines in the amount of $4.7 milion and Capital Stock of Canadian Pacific Transport Company in the amount of $600,000 were acquired as repayment of advances.

Tax Equalization Reserve, recording the liability with respect to the deferment of income taxes through claiming capital cost allowances for tax payment purposes in excess of depreciation accruals charged income, increased by $9.1 million.

Finance

Serial equipment trust certificates amounting to $10,018,000 were discharged during the year, and $1,764,000 of obligations maturing in 1957 were purchased and cancelled.

During the year $1,749,000 Convertible Twenty Year 3⅛% Collateral Trust Bonds, $14,000 Convertible Fifteen Year 3½% Collateral Trust Bonds, and $21,000 Convertible Seventeen Year 4% Collateral Trust Bonds were converted into 70,996 shares of Ordinary Capital Stock.

The foregoing transactions resulted in a decrease of $13,566,000 in funded debt, a decrease of $2,140,800 in the amount of Consolidated Debenture Stock pledged as collateral, and an increase of $1,774,900 in the amount of Ordinary Capital Stock outstanding.

During the year your Company acquired $500,000, the total issue, of 4% First Mortgage Bonds of The Lindsay, Bobcaygeon and Pontypool Railway Company, due July 1, 2002. These bonds were surrendered for discharge of mortgage as a preliminary step towards the vesting of this subsidiary in your Company.

Arrangements were completed, prior to the close of the year, for the redemption on January 1, 1957, of £1,300,000 Atlantic and North-West Railway Company First Mortgage Redeemable Debenture Stock maturing on that date. The principal of that stock was guaranteed by your Company.

Pensions

Upon recommendations by the Pension Committee, your Directors approved certain changes in pension rules and allowances effective January 1, 1956.

Under the new rules, the factor to be applied to contributory years of service in determining the pension allowance was increased to 1¼ from 1⅛ for each year of service after January 1, 1937. The new rules also extend to those who were receiving less than the current minimum pension of $60 per month an increase to that amount effective from February 1, 1956, until they reach 70 years of age when the pension will revert to its former amount, and provide for a survivor allowance for widows of former employees who retired prior to February 1, 1953, and died on or after February 1, 1956, in respect of whom a survivor allowance would not otherwise be payable. This survivor allowance ceases when the widow reaches the age of 70.

To provide for the cost of the increased benefits, employee contributions were increased from five percent to six percent of salary or wages, effective January 1, 1956.

Expenditures for pensions during the year amounted to $20.3 million. This included the portion of current pensions paid, a contribution of $6.4 million to the Pension Trust Fund, and levies in respect of employees covered by the United States Railroad Retirement Act.

Wage Negotiations

An agreement was concluded with the unions representing the non-operating employees on the basis of the report of the Conciliation Board to which the dispute had been referred at the beginning of the year. The agreement, covering a two-year period from January 1, 1956, provided for wage increases amounting in total to 11%, comprising 3% effective January 1, 1956, 3% April 1, 1956, 2% November 1, 1956, and 3% June 1, 1957, and provided for payment for two statutory holidays in addition to the five previously established, and health and welfare benefits to cost $8.50 per employee per month, half to be paid by your Company and half by the employee.

Agreements were reached with the licensed and unlicensed personnel of the "Princess Helene" similar to that with the non-operating railway employees and effective to June 15, 1958.

An agreement was concluded with conductors, trainmen and yardmen effective to May 31, 1958, providing for wage increases amounting to 12%, comprising 7% effective April 1, 1956, and 5% June 1, 1957. The 7% increase included an amount of $4.25 per month in lieu of health and welfare benefits. The regularly assigned yard switching crews covered by this agreement are to be paid for six statutory holidays.

Locomotive firemen and hostlers proposed a 25% increase in basic rates of pay and payment in yard service for eight statutory holidays, and your Company sought the right to operate diesel locomotives in freight and yard service without firemen. The dispute was referred to a Conciliation Board whose report, handed down on December 17, recommended that wages be increased by 7% effective April 1, 1956, to include $4.25 per month in lieu of health and welfare benefits, and 5% effective June 1, 1957, that payment be made in yard service for six statutory holidays, and that diesel operations without firemen be permitted in freight and yard service, with provision of safeguards for the employment, earnings and security of firemen. Your Company accepted the report but it was rejected by the union and a strike of firemen ensued resulting in cessation of train operations from January 2, 1957, until January 11, 1957. Operations were resumed under an agreement which provided

CANADIAN PACIFIC RAILWAY COMPANY

GENERAL BALANCE SHEET, DECEMBER 31, 1956

ASSETS

Property Investment:		
Road and Equipment	$1,612,809,458	
Improvements on Leased Property	215,855,014	
Securities—Leased Railway Companies	93,203,654	
Steamships	89,989,731	
Hotel, Communication and Miscellaneous Properties	120,109,276	
		$2,131,967,133
Other Investments:		
Securities—Controlled Companies	$ 86,213,286	
Miscellaneous Investments	34,254,256	
Advances to Controlled and Other Companies	4,965,306	
Mortgages Collectible and Advances to Settlers	1,136,254	
Deferred Payments on Lands and Townsites	4,226,652	
Unsold Lands and Other Properties	7,919,308	
Insurance Fund	13,188,540	
		151,903,602
Current Assets:		
Cash	$ 41,828,250	
Temporary Cash Investments	82,500,158	
Special Deposits	4,875,132	
Agents' and Conductors' Balances	26,097,376	
Miscellaneous Accounts Receivable	25,428,664	
Material and Supplies	44,277,659	
		225,007,239
Unadjusted Debits:		
Insurance Prepaid	$ 109,420	
Unamortized Discount on Bonds	3,601,493	
Other Unadjusted Debits	4,390,084	
		8,100,997
		$2,516,978,971

LIABILITIES

Funded Debt		$ 156,085,000
Perpetual 4% Consolidated Debenture Stock	$415,775,988	
Less: Pledged as collateral to bonds	123,227,100	
		292,548,888
Current Liabilities:		
Pay Rolls	$ 9,902,094	
Audited Vouchers	22,825,356	
Net Traffic Balances	3,007,377	
Miscellaneous Accounts Payable	18,339,276	
Accrued Fixed Charges	1,193,777	
Dividends Payable	15,906,420	
Taxes Accrued	15,016,691	
Other Current Liabilities	24,735,702	
		110,926,693
Deferred Liabilities		3,089,533
Reserves and Unadjusted Credits:		
Depreciation Reserves	$853,226,950	
Investment Reserves	770,201	
Insurance Reserve	13,188,540	
Contingent Reserves	4,118,419	
Tax Equalization Reserve	20,350,000	
Unadjusted Credits	7,594,514	
		899,248,624
Shareholders' Equity:		
Ordinary Stock	$348,729,225	
Preference Stock—4% Non-cumulative	137,256,921	
Premium on Capital and Debenture Stock	37,222,399	
Donations and Grants	78,891,819	
Retained Income (Balance)	452,979,869	
		1,055,080,233
		$2,516,978,971

S. J. W. LIDDY, *Comptroller*

To the Shareholders, Canadian Pacific Railway Company:

We have examined the above General Balance Sheet of the Canadian Pacific Railway Company as at December 31, 1956, and the related financial statements, and have obtained all the information and explanations we have required. Our examination included such tests of accounting records and other supporting evidence and such other procedures as we considered necessary in the circumstances.

In our opinion the General Balance Sheet and related financial statements are properly drawn up so as to present fairly the financial position of the Canadian Pacific Railway Company at December 31, 1956, and the results of its operations for the year then ended, according to the best of our information and the explanations given to us and as shown by the books of the Company.

Montreal, March 8, 1957

PRICE WATERHOUSE & CO. Chartered Accountants.

for wage increases and payment for six statutory holidays as recommended by the Conciliation Board, and a Royal Commission consisting of three judges was appointed to report on the necessity of using firemen on diesel locomotives in yard and freight service, and on certain other subsidiary issues.

Early in 1957, an agreement was concluded with locomotive engineers on the basis of the recommendations of a Conciliation Board to which the dispute had been referred providing for wage increases amounting to 12%, comprising 7% effective May 1, 1956, which also included $4.25 per month in lieu of health and welfare benefits, and 5% June 1, 1957, and for payment to engineers in yard service for six statutory holidays. The agreement is effective to June 30, 1958.

Air Lines

Dividends received from your Air Lines amounted to $459,000. Net profit for the year was $525,000 compared with $275,000 in 1955.

Revenue from domestic operations increased by 24% as a result of intensification of activity in Northern and Western Canada both by government and private industry. Traffic was stimulated by oil and mineral exploration and development, and a contract was entered into with a construction company providing for passenger courier service between northern radar stations. The charter cargo airlift to supply and service construction of the radar warning network tapered off after mid-year as the project neared completion.

International revenue increased 55%. The principal contributing factors were the operation for a full year of the Vancouver-Amsterdam and Toronto-Mexico City services inaugurated during 1955, extension of the South America service to link Buenos Aires by through connections with Toronto and the Orient, and an increase in the frequency of flights on most routes in response to expansion of the volume of traffic offering. Features of the year's operations were charter flights to Australia for the Olympic Games and between Vienna and Vancouver for transporting Hungarian refugees to Canada.

On order at the year end were eight DC-6B aircraft, four for delivery in 1957 and four in 1958, and five Bristol Britannia turboprop aircraft, four for delivery late in 1957 and one early in 1958.

Rates

Reference has been made earlier in this Report to the request of the railways in 1956 for an increase of 15% in the general level of freight rates and to the authorization by the Board of Transport Commissioners of general increases of 7% effective July 3 and 4% effective January 1, 1957. The latter increase was granted in an interim judgment of the Board dated December 28 which set forward for consideration early in 1957 the question of further relief.

Also referred to previously were increases averaging approximately 5.5% and 5% effective March 7 and December 28 respectively in rates on international, overhead and certain import and export traffic. Having been granted to railways in the United States, these increases were made applicable to these classes of traffic in Canada by authority of the Board of Transport Commissioners.

Your Company continued to bid through negotiation of agreed charge contracts for a widening range of competitive traffic. Sixty-six such contracts were put into effect during 1956, the largest number in any one year, bringing to 137 the total number in effect at the year end.

Following the authorization of the general increase in rates effective July 3, negotiations were entered into with shippers for increases in rates specified in agreed charge contracts to which your Company is a party. A number of increases at varying rates were secured and negotiations for other increases were in progress at the end of the year.

Rates on telegraph message traffic interchanged between Canada and the United States were increased by 10%, effective September 24.

Services

The programme of dieselization for the improvement of efficiency of your railway operations was carried forward by the acquisition of 113 new diesel units comprising 99 road switchers for freight and passenger service and 14 yard switchers. A second stage of the diesel maintenance shop in Montreal, the first stage of which was built in 1955, was completed during the year.

New freight train cars to the number of 3,952, including 3,200 box cars, were placed in service. In addition, 985 automobile and refrigerator cars were modified to meet special requirements of shippers. A new passenger car repair shop was completed at Winnipeg.

Your rail diesel passenger car fleet was increased by 15 units, making a total of 31 units of this type of equipment in the inventory at the year end. Six new "Dayliner" services were commenced, including the international service between Montreal and Boston, bringing to 3,000 route miles the distance over which these trains were in operation. Frequency of service was increased on some routes already served by rail diesel cars.

New trackage constructed included 21.4 miles from Brocket to Drywood in Alberta to serve a new industrial development at the latter point. During the year 789 manufacturing, warehousing and distributing establishments were located along the lines of your railway, and to serve 190 of these, 53 miles of tracks were constructed.

Programmed replacement of track elements included the laying of 574 miles of new and relay rail, the installation of 1.9 million ties and the application of ballast to 565 miles of track. Automatic block signals were installed on 91 miles of track, bringing the total mileage so equipped to 3,130.

The tonnage of traffic carried in your trailer-on-flat-car services increased substantially over the previous year and forty-one flat cars were adapted to accommodate highway trailers. These services provide pick-up and delivery between Montreal and Toronto, Hamilton and London in Eastern Canada and coordinate your rail and highway operations between eleven principal points in Western Canada.

The provision of safeguards against injury and the elimination of hazards continue to be foremost considerations of your Company, and a third consecutive award for public safety activities was received from the National Safety Council in Chicago.

Your new flagship, the "Empress of Britain", entered service on April 20 and completed a successful first season, during which your ocean fleet carried a greater number of trans-Atlantic passengers than in any other post-war year. Your second new passenger-cargo liner, the "Empress of England", was near completion at the end of the year and will enter regular North Atlantic service in the spring of 1957.

In the fall of the year work was commenced on the 17-storey, 400-room addition to the Royal York Hotel being built to provide for convention traffic and the rapid growth of the Toronto area.

Early in December, your Company, jointly with Canadian National, participated in establishing the first International Teleprinter Exchange Service in Canada, which provides rapid and direct communication between subscribers in Canada and those in overseas countries. The television network service operated jointly with Canadian National was extended to Sherbrooke in Quebec and Wingham in Ontario, and construction was underway on an extension from Quebec City to serve Rimouski and Jonquiere.

Integrated Data Processing

The integrated data processing programme of your Company for mechanizing the handling of paper work, which was begun in 1955, passed from the planning to the implementation stage in 1956 with the installation of common language machines in yard offices, freight offices and district data centres. By the year end, the extensive communications network which links the I.D.P. system together was nearly completed, and mechanized reporting of data from field to Computer Centre at Montreal was in effect at more than fifty locations. A high speed electronic computer, equipped with memory core storage, was delivered in December. This is the first such installation in Canada.

Capital Appropriations

In anticipation of your confirmation, capital appropriations amounting to $12 million, in addition to those approved at the last Annual Meeting, were authorized by your Directors during the year. These included $2.2 million for construction of new industrial trackage, $3 million for rail diesel cars, $3 million for additions and replacements to communication facilities and $750,000 for commencement of the extension to the Royal York Hotel.

Your approval will be requested also for capital appropriations for the year 1957 amounting to $126.4 million.

Patrons, Officers and Employees

Your Directors again desire to express sincere appreciation to the many customers using Canadian Pacific services and to officers and employees for their part in maintaining the traditionally high standards of those services.

For the Directors,

N. R. Crump,
President.

Montreal, March 11, 1957.

France is a Must

CONTINUED FROM PAGE 23

Atlantic liners dock. These may take one or several days to reach Paris. Towns whose names are engraved upon memories: St. Lô, Caen, Bagnoles and Bayeux as well as that lovely city, Rouen; and the invasion beaches, Arromanches, Courseulles and St. Aubin.

France lends herself to this sort of tourism which is not content to attract only the passing interest, nor even just to stimulate imagination; but which speaks directly to the mind and heart. It is France's great privilege that everywhere on her soil the arts of the past are embodied in those of the present and bear witness to the efforts of generations.

STETSON "Shaped-to-wear" HATS

STETSON "Shaped-to-wear" hats are made completely ready to wear *at the factory*—creases and dents moulded in permanently, perfectly! Stetson "Shaped-to-wear" hats *retain* their smart shape indefinitely; boast a crisper, cleaner look! And, of course, they incorporate traditional Stetson style and value.

Stetson prices; $9.95, $11.95, $15 and up.

Smart "Shaped-to-wear" styles are also produced by MALLORY — a famous brand name since 1817, and one of the Stetson Group of Companies.

AQUANIZED STETSON

Stetson Frontenac
"Shaped-to-wear"

Our Chartered Banks

CONTINUED FROM PAGE 24

without too much regard for the source. This has meant that certain types of investment, normally supplied by personal savings, have had difficulty meeting their capital requirements. Housing is the case in point.

As the Bank report points out, the combining of commercial and savings functions has tended to reduce the effectiveness of monetary policy. Credit restraints, intended to limit new funds supplied to the banking system, are dissipated, or even nullified, when the chartered banks decide to sell securities and thus replenish their loanable reserves.

With this excessive capacity for credit expansion in mind, the Bank of Canada draws a clear distinction between current and savings deposits. It suggests that at least a part of the savings funds should be invested in securities with a relatively long maturity.

The problem of ineffective monetary control is not new. It has its roots in the enormous increase in money in circulation that is our heritage from the last war. The impact of this inflation was greatly reduced by slower rates of money turnover during the last decade. The threat has remained that the velocity might pick up with a consequent rise in demand, and then in prices.

The sale of Federal Government securities by chartered banks such as we have seen in the last eighteen months promotes increased velocity.

The traditional mechanisms of control are proving less adequate, although the need has increased with the size and complexity of the economy. When the central bank asked chartered banks to keep 7% of their funds in treasury bills, in addition to the statutory 8% in cash reserves it was acknowledging that there was too much slack in the monetary system.

A year ago, when it was becoming evident that the huge investment program would put considerable pressure on our economic capacity, it was realized that funds for house building would be less abundant than before. With other avenues of investment more attractive than housing, it was hoped that labor and materials would be drawn away from that industry and thus help to relieve shortages in other areas of the capital spending boom. However, the immobility of labor and the low interchangeability of some materials have frustrated to some extent the anticipated transfer. Small but significant pockets of under-employment have appeared. These represent a waste of potential production inconsistent with the general prosperity. Further, the serious decline in housing is likely to lead to a redistribution of labor. If this developed, the housing industry could not recover quickly when credit was again relaxed.

At least one leading Canadian banker reacted vigorously and publicly to the Bank of Canada's proposal to direct savings into mortgage loans. He pointed to the difficulties experienced by American banks in the 1930's because of excessive investment in this field. At that time many American banks found themselves in a critically insolvent position. This banker questioned whether the mortgage investment scheme was sound banking. His criticism did not appear to attack the basic principles of the central bank's suggestion. With some justification, it was directed at the use of the inactive funds to stimulate housing.

There are several facts about the present housing situation that justify such concern. Firstly, there is evidence of overbuilding in the housing field. Housing completions have exceeded net family formations by a wide margin in recent years — and by no means can every new family afford a house to start with, even in this day and age. Secondly, the number of unsold new houses has risen sharply in the last few months. Of course, there is no surplus if the houses are given away, but no one seems to have this in mind. There is always a question of how real is the demand for housing relative to our national income, and the ability of the people who want houses to buy them.

It should be remembered that in the last decade we in Canada have devoted a larger percentage of our national production to building new houses than have the Americans — although they are in a better position to do so. A slowdown in housing construction could have important benefits.

We should not expect the banks to be entirely enchanted by the security of NHA mortgage loans. Before a chartered bank can realize on a mortgage guarantee, it must foreclose and repossess; this carries with it public relations problems that could have important political side-effects.

Surely there is something inconsistent in encouraging chartered banks to invest in long-term mortgage loans when they were recently discouraged from making loans to business. Apparently the central bank draws a sharp distinction between term loans and the use of the same funds for the purchase of long-term securities or mortgages. As this distinction is not too clear, the chartered banks may reasonably ask, "What's the difference?"

By insisting that a certain percentage of deposits be invested in Federal Government long-term bonds—in addition to the current cash reserves and treasury bill requirements that account for 15% — the control of credit could be improved and at the same time the banking system would be strengthened.

The question of directing investment into specific industries is something else again. Traditionally, we have let the purse decide what we are going to produce. Whenever we have departed from this, the Government, in the name of the people, has paid. Since government-guaranteed housing loans are, in effect, subsidized housing, why should it be necessary to hide this fact behind the façade of private enterprise by compelling the banks to purchase unwanted mortgages? Why not admit these facts of life and let the Central Housing and Mortgage Corporation borrow all the NHA funds from the Government, and then disperse them either on its own or through the existing channels?

There could be advantages to this procedure. For one thing, it might publicize the extent of Government support for house building. For another, it might give confidence to the individual saving for his old age to know that arithmetic, rather than altruism, is the basis for banking operations.

Clarkson, Gordon & Co.

CHARTERED ACCOUNTANTS

Toronto · Montreal · Hamilton · London
Winnipeg · Regina · Calgary · Edmonton · Vancouver

J. E. GRASETT & CO.

MEMBERS THE TORONTO STOCK EXCHANGE

Branch

244 Bay St., EM. 8-4781 — Toronto — 2881 Dundas St. W., RO. 9-1167

Ask your investment Dealer or Broker for prospectus.

CALVIN BULLOCK
Ltd.

THE SHAWINIGAN WATER AND POWER COMPANY

Class 'A' Common Shares Dividend

NOTICE is hereby given that the first quarterly dividend of one dollar ($1.00) per share has been declared on the Class 'A' no par value Common Shares of the Company payable May 15, 1957 to shareholders of record April 19, 1957.

By order of the Board

R. R. MERIFIELD,
Secretary.

Montreal, March 27, 1957.

Over 18,000 Own it for

AFFC

√ Growth of Income
√ Capital Appreciation
√ Income Tax Credit

Invest in

CANADIAN INVESTMENT FUND

Gives you a proportionate interest in 70-80 first-class investments.

Phone or write for information

A. F. Francis & Company Limited

MEMBER OF:
THE INVESTMENT DEALERS' ASSOCIATION OF CANADA
MONTREAL STOCK EXCHANGE

66 King St. W. TORONTO EMpire 3-0138
Piqott Bldg. HAMILTON JAckson 7-9263

Your Taxes

by Garfield P. Smith, CA

Payments on Production

In 1947 I purchased a piece of property adjoining my farm. In 1953 I sold the timber growing on this property to a local logging contractor. Under the terms of the contract of sale, all merchantable timber was to be removed and paid for on the basis of a unit price. The payments in total, therefore, were dependent on the quantity of timber removed from the property. This is in accordance with the procedure followed in approximately 90% of all timber transactions in British Columbia.

The contract was completed in about three months, and the total price was paid in three amounts during the period. On assessment, the proceeds of the sale of the timber were taxed as income in my hands; however, the Income Tax assessor advised that had payment been made in a lump sum, the amount would have been a capital receipt and not subject to tax. May I have your opinion in this matter?— T. W. M., Ganges, B.C.

The above question raises a very interesting point. The matter of whether or not payment was made in a lump sum is of no consequence, and it would appear that what the assessor must have said was a "fixed amount" rather than a "lump sum".

The Income Tax Act provides that amounts received in the year that were dependent upon the use of, or production from, property *whether or not they were instalments of the sale price,* must be included in computing income.

In 1945, a taxpayer sold certain mining leases for $25,000. Under the sale agreement, the purchaser was to pay 25% of all gold obtained from the leases until the full purchase price had been paid. Accordingly, payments ranging from $2,000 to $3,000 were made in the years 1946 to 1949 inclusive. The amounts thus received were included as income by the Department.

On appeal, the taxpayer obtained some relief from the 1946, 1947 and 1948 assessments, but because of a change in legislation for 1949 and subsequent years, the amount received in 1949 was taxable in full.

Prior to the enactment of this legislation, it was possible for the owner of oil rights to enter into an agreement of sale under which payments would be made to appear not as royalties but as instalments of the sale price.

Under the present legislation, amounts received in accordance with your contract constitute income; however, a deduction may be claimed for depletion. Such depletion is computed by apportioning your cost over the estimated quantity of timber, and claiming such cost in proportion to the quantity of such timber which has been cut. In arriving at your cost, the residual value of the property must be eliminated.

If you had sold the timber rights for a *fixed amount,* your profits, depending on all the circumstances, could have been a capital gain.

Medical Insurance

Last year I was hospitalized and received payments under a sickness and accident insurance policy. Must I include such amounts as income? — J. E. S., Huntsville, Ont.

No. Such amounts do not constitute income, and the premiums paid on such policies are not deductible.

Where medical expenses are paid directly by an insurer to whom you pay premiums, then such expenses may be deducted to the same extent as though paid by you.

Capital Cost Allowance

For the past twenty years I owned a house from which I derived rental income. I have now sold the house, receiving a small down payment and taking back a first mortgage for the balance. The selling price was in excess of my cost, and I have therefore recovered all the depreciation claimed over the twenty-year period including depreciation claimed in 1956. Am I now required to include the recovery as income for tax purposes?—G. E. C., Hamilton, Ont.

If you did not live in the house, but used it solely for rental revenue purposes, and if you had no other rental property, you must include the recovery of capital cost allowance in computing your income. The amount to be included in your income is the difference between the depreciated value of the property and its selling price, or the difference between the depreciated value of the property at

the end of the 1948 taxation year and the date of the sale, whichever is a lesser amount.

The amount thus determined may be included in your income in the year of sale; or it may be spread evenly over the preceding five years, and the additional taxes resulting in each of those years would be added to the tax otherwise payable in the year of sale. It would be advisable to calculate the tax using both methods in order to determine which is preferable. You state that depreciation was claimed for 1956. If the property was sold in that year then no allowance is deductible, as capital cost allowance may be deducted only in respect of property on hand at the year-end.

In addition to the recovery of capital cost allowance, you will be required to include in income, interest received on the mortgage.

Depreciable Property

I purchased a building in which I now operate my business. I understand that I may claim depreciation on the building but not on the land. As it is therefore necessary to allocate the purchase price between land and buildings I would like to know the proper method of making such allocation.—P.T., Winnipeg.

Where a sale has been made which includes depreciable property, the Income Tax Act requires that the apportionment of the selling price be the same for both the vendor and the purchaser. In addition, the apportionment must be reasonable. This apparently to prevent the vendor avoiding taxation on the recovery of capital cost allowance by allocating too low an amount to the building, and also to prevent the purchaser from claiming capital cost allowance on too high a valuation for the building.

Some methods which have been accepted by the Department in establishing a reasonable basis of apportionment between land and buildings include: (a) an allocation in proportion to the fair value at the date of sale, as determined by an independent qualified appraiser; (b) an allocation in proportion to the assessed values in the year of sale, as shown by the municipal property assessment notices.

If a reasonable apportionment can be determined in some other manner, it may also be acceptable.

Gift from U.S.

Question: Last year I received a gift of $1,000 from my uncle who lives in the United States. Does Canadian gift tax have to be paid in this case?

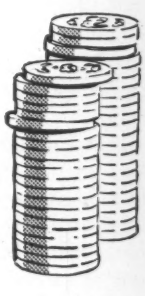
Answer: No. Canadian gift tax applies only to gifts made by an individual resident in Canada or by a personal corporation.

Professional Memberships

There are many persons such as lawyers, doctors, and accountants, who are employed by governments, large corporations or other employers, who are not permitted to deduct professional membership dues because their contract of employment did not require that the professional status be maintained. This may be so even though the employment was obtained by virtue of the professional status. Under the proposed amendments, such dues may be deducted commencing with the 1956 taxation year.

EXECUTORS AND TRUSTEES FOR OVER HALF A CENTURY

value for your money-



Bequeath to your heirs all the benefits that come from

experienced estate administration

THE **ROYAL TRUST** COMPANY

Our booklet "What We Can Do For You" is available on request.

OFFICES ACROSS CANADA FROM COAST TO COAST

It's as simple as ABC

Ever thought about going into business for yourself . . . or of buying an interest in some business other than your own? It's as simple as A B C. You can become a partner in many strong, well managed Canadian companies simply by buying a few shares of the companies of your choice . . . Most of the ones that we think you would be interested in are listed on one or more of the Canadian Stock Exchanges.

Buying shares of a steel company puts you in the steel business . . . a few oil shares and you are in the oil business. Similarly, you can become part owner of a telephone company or a bank . . . your own bank if you like . . . a manufacturing business, a chain store . . .

How do you go about it? . . . Well, first of all, you may want information on which to base a decision . . . We can help you by supplying it. After you reach a decision, we can help you again because, as brokers and as members of the Toronto and Montreal Stock Exchanges, we can act as your agent in buying the shares of the companies you have selected. We will see that your instructions are carefully carried out, and finally of course, we will obtain the stock certificates, have them registered in your name and deliver them to you safely.

When it comes to buying or selling shares . . . or getting information on which to base a decision, we invite you to consult with us. You will be welcome in any of our offices . . . whether you prefer to write, telephone, or drop in.

A. E. Ames & Co.
Limited
Business Established 1889
TORONTO

MONTREAL NEW YORK LONDON, ENG. VANCOUVER
VICTORIA WINNIPEG CALGARY LONDON
HAMILTON OTTAWA KITCHENER ST. CATHARINES
OWEN SOUND QUEBEC BOSTON, MASS.

Axel in Wonderland

CONTINUED FROM PAGE 13

The exact dimensions of that bite are almost too vast for the average taxpayer to sink his teeth into. In effect, Dr. Wenner-Gren and his associates — with the eager concurrence of the provincial Government—have hoisted a "No Trespassing" sign on 40,000 square miles of north-central B.C. This is an area approximately twice the size of Nova Scotia.

When the news first broke, a few weeks ago, that the B.C. government had "caused a reserve to be placed" on the remote treasure trove under the rim of the Yukon, public reaction was vivid, volatile and immediate.

"Swedish Columbia!" quipped a Victoria barber.

The Chamber of Mines of B.C. and the Yukon thought the reserve grant was discriminatory and would deprive Canadians of their just exploratory rights. The Vancouver Board of Trade appointed a committee to study the deal, which soon announced that it looked splendid. Two days later Brenton Brown, president of the Board, repudiated the committee statement as "premature".

A poll of leading Coast industrialists revealed two things: (1) most of them were in Hawaii; (2) those who weren't, were notably reluctant to talk. One financier (anonymous) doubted the whole project, said it sounded to him like a stock promotion, and would his caller kindly refer to the historic South Sea Bubble?

Vancouver Labor Council demanded "full information" on the deal. In the legislature, CCF spokesman Randolph Harding predicted "the ruin of Social Credit" and called the deal a straight give-away.

But, when his colleague Gordon Dowding entered a resolution on the order papers, asking for the filing of all correspondence with Wenner-Gren and associates, the Premier complied.

From the outset, Mr. Bennett has argued that his government has made no special concessions. "We should welcome this foreign capital," he exclaimed.

The amazing deal, announced on February 12, was negotiated in a "memorandum of intention" signed last November by Premier Bennett as finance minister of BC and two Wenner-Gren associates, Birger Strid of Stockholm and Bernard Gore of London.

A witness to the signing was Einar Gunderson, former economic adviser to Bennett and at present $15,000-a-year vice-president of the Crown-owned PGE railway; shortly thereafter he turned up as a director of the new Wenner-Gren development corporation.

When newspapermen asked Mr. Bennett for comment on this unusual duality of interests, the Premier expressed surprise, and said he "had no knowledge of it."

Mr. Gunderson, questioned on the point, hesitated only momentarily before telling reporters that he was "in so many things . . . I must have forgotten to tell the Premier about it."

That the Premier would block off one-tenth of British Columbia for foreign interests, without checking the composition of their directorate, seemed to many citizens well-nigh incredible. But events of succeeding weeks demonstrated that the Premier wasn't the only one "flying blind" on the deal; comment of some of the certified genii imported for the festivities bordered on the *opera bouffe*.

In actual fact the Rocky Mountain Trench has been eyed covetously by prospectors, both individually and collectively, for a century. It is a U-shaped trough, between 10 and 20 miles wide, which extends from the United States diagonally through BC into the Yukon.

Its timber wealth has been estimated at $90 millions, with 1.8 million acres of mature forest, a million of immature timber and three million of productive forest land.

Hydro potential at Finlay Forks is reckoned at one million h.p., with other sites of unknown capacity nearby. One dollar projection of hydro possibilities in the Trench envisages a 30-year development worth $750 millions.

Mineralogically, little firm data is available other than that the Trench is in a favorable "contact zone" and generally believed to be loaded with asbestos and base metals.

Dr. Wenner-Gren says he has been interested in the area since his 1940 visit, when he cruised up the coastline of BC in his yacht. This interest culminated in the "memo of intent" under which the company agrees to start surveys immediately; to invest at last $5 millions in these surveys; and to build a railway 400 miles from Fort McLeod to the Yukon border.

As a token of good faith, Wenner-Gren has deposited a cheque for $500,000 with the BC Government but it is returnable if plans are not approved and the project abandoned.

A distinguished Coast lawyer, examining the agreement, shook his head wistfully and said: ". . . an incredible document . . . the kind of thing British financiers used to write three centuries ago for some ivory colony on the coast of Africa."

Bernard Gore, front man for the new company, which has just opened offices in Vancouver, says blandly that "BC got the best of the deal." Mr. Bennett points happily to his $500,000 cheque.

Skeptics insist, after close study of the agreement, that it means simply this: Wenner-Gren has acquired a monopoly option which excludes all competitors and gives him ground-floor knowledge of Trench treasures, which can be promoted for fabulous stock profits.

Dr. Wenner-Gren's personal testimony on this point, in interviews in Vancouver and Victoria, is confusing.

While repeating that he "did not need the money" and was "doing it all for humanity" via a Foundation, the Swedish financier conceded that he regarded the memorandum of intention as "a document of honor" which would give him first chance to develop any riches found in the north country.

He continued: "Obviously, I expect to get a lot for my $5 millions (for surveys). I hope this will be my biggest venture . . . We don't know what is up there. This time I am going on my feeling."

He estimated that the whole project might cost as much as $1 billion.

What baffled many newsmen in interviews with company directors was their apparent preoccupation with the idea of building a monorail through the Trench, at $500,000 a mile.

Newsmen asked: would it be wise to switch gauges, since the monorail would connect with the PGE? Could it carry the heavy freight required in the rugged north? Could a monorail possibly do 180 miles an hour on grades that went as high as 20 per cent?

Mr. Gore assured them that these details could be worked out.

But a 1942 report by Capt. C. S. Andrews, surveyor-general of the B.C. lands and forests branch, noted:

"Outstanding advantages of the Trench are light snowfall and easy construction . . . an average depth of winter snow from 18 inches on the floor of the Trench to four feet on Sifton Pass. This would lengthen the snow-free season one or two months and reduce year-round maintenance. The broad U-shaped trench carrying the road for 500 miles in a straight line is a gift for the road-builder."

Why, then, the need for a monorail—particularly since the Wenner-Gren monorail projected for Southern Rhodesia in a similar development project had just gone belly-up?

Dr. Wenner-Gren blamed the Southern Rhodesia collapse on the Mau-Maus—but they were active in Kenya, more than 1,000 miles away!

These and other contradictions, coupled with the dubious wartime record of the party of the first part, incline a great many British Columbians to the view that Dr. Wenner-Gren was being extraordinarily candid when he described the entire project as a "lottery ticket". And one of the biggest question marks is: has Premier Bennett come up with a winning number?

The next three years will tell, since the company is committed to start construction of the railway by 1960.

"Free" Advertising on TV

CONTINUED FROM PAGE 17

Wenland, The Giveaway King, is also called The Old Schlochmeister, and is credited with being the first to make a career out of giving things away. (His personal preference is for the self-bestowed title, *King Adolphe I,* inscribed on the hundreds of cigarette lighters he himself gives away.)

When quizzes first clicked and audiences began getting into the act, lining up loot was a headache for producers, and they welcomed Wenland's pioneering in prize promotion. He systematized things by offering advertisers something tangible, such as a guarantee of $1,000 worth of air time in return for a $250 product. His crusade caught on, and he was soon giving away everything from meatballs to monkeys. Other public relations men were quick to copy, rates were eventually standardized, and schlochmeistering became big business.

For less than a thousand dollars, the Schwinn Bicycle Company regularly reaches 50 million listeners and viewers each week. The mention of Schwinn-built bikes on a dozen different network shows would come to more than $25,000, if paid for in cash. Therefore, the advertiser who trades merchandise for radio or TV time gets a return unequalled in any other approach to the public. Schwinn's Hollywood representative, Harold Higgins, also supplies most of the bikes seen on the screen, and laments the necessity of getting this particular product into a close shot in order to have the name-plate noticeable. He once had to advertise for weeks to obtain an ancient Schwinn on which the name was still legible, to meet the requirements of a script that called for a broken-down bike. He's happier with commercial props in self-identifying containers, such as bottles of Coke, and points out that schlochmeisters have influenced the design of packages. He's particularly pleased with the growing tendency to use real products in movie stores, instead of fake brands packaged especially for that purpose.

"As far as I've been able to find out," Hal told me, "my initial experience with free mention advertising marked the first time a product was mentioned on the air without a charge being made. I was manager of a Boston radio station, and we were carrying a show from New York. When Bulova watches were announced as awards, I sent a hot wire to the network's head office in protest. When I'd cooled off, I realized that 'a watch' would have meant little to the listener, whereas a nationally-known make was something special. But, in 1927, who could foresee the future of the free plug?"

Until the postwar economy pinch, moviemakers were united in their resistance to schlochmeisters, but promoter Ted Lewis broke down the bars when he suggested a commercial gag sequence for *Africa Screams* in 1949. Representing a peanut company after having lost his shirt on a flop film, he supplied hundreds of packages of his product, for comedian Lou Costello to use in attempting to placate a hungry alligator. Of course, only a few were used up in shooting the scenes.

"To overcome the usual objections to commercial props, I promised to send the surplus to an orphanage," he recalls. "It was a good gimmick. Ever since, when the economy angle of free props fails to appeal, I work a giveaway of my own, arranging to have the goods donated to a worthy organization, or auctioned for charity—with plenty of publicity. If a request like this is turned down, it gives the studio a bad name. Proof of how well it works is the fact that I went from peanuts to planes, and placed products in 40 films the first year."

Most schlochmeisters guarantee that no placement will be made that could adversely affect the prestige of the product. A trailer manufacturer supplied one of his highway homes for a recent picture, but its use was vetoed by his representative when it was revealed that it had to break loose and travel on its own. Since safety hitches are a big selling point, the studio finally rented a home-made trailer, and great pains were taken to emphasize that it wasn't a commercial job. Having aroused the ire of the trailer people, the producer wanted to take no chances on alienating any part of the potential audience.

Several merchandise promoters specialize in supplying free props, costumes and even complete sets for TV productions, in exchange for end-of-the-show credits. Time to run the credits presents a problem, but the high cost of production makes the choice between them and rental fees a simple one, and even big-time shows like *Kraft Theater* count on them. Another specialist is Al Petker, who has his own corner on the merchandise-prize market in packaging complete contests for disc jockeys throughout Canada and the U.S. He personally services each contest for its duration, although he frequently has as many as 50 going at the same time.

In addition to making available identifiable merchandise of all kinds, schlochmeisters arrange for the use of real-life sets wherever movies or telefilms are being made. There is a continuous demand for service stations and for stores selling jewelry, clothing, groceries, appliances and drugs. The placement fee is divided between retailers and wholesalers. Adolphe Wenland, aware that many actors have business interests outside the film field, has been toying with the idea of producing a free mention movie, minus any financing except what would come from his clients.

Believe it or not, you'll likely earn more than that during your working years.

So the big question is: How much of this will still be yours when you decide to retire? Or have to?

You owe it to yourself to make sure you keep enough.

Bank a *regular* amount from each pay from now on . . . at the B of M.

And hold on to a worthwhile share of the *fortune* you will earn.

"MY BANK" TO 2 MILLION CANADIANS B of M

BANK OF MONTREAL

Canada's First Bank

Editorials

Please, Mr. Dulles

DID THE U.S. State Secretary John Foster Dulles, deliberately bring about a crisis in the Middle East? That is what executives of the news magazine *Time* would have us believe. Their theory, apparently supported by talks with Mr. Dulles, is that he wanted to force a showdown with the Russians in some part of the world, and the Middle East offered the greatest opportunities. Conveniently, Egypt's Nasser wanted a loan to build the Aswan Dam. Mr. Dulles (the story goes) deliberately turned down the loan in such a way that Nasser was publicly humiliated and had to do something quickly in order to save face. Everyone knows what happened after that, of course. The Dulles policy would have been an unqualified success, it seems, if the stupid allies of the U.S. had been content just to let Mr. Dulles carry the ball. Well, maybe so. But we pray that Mr. Dulles will not enjoy many more such successes. The West simply can't afford them.

Entertainment Bill

THE REPORT produced by the Fowler Commission on Broadcasting is an urbane, polished piece of work. But the glitter is superficial and the document contains few creative ideas. Its three main proposals are that a board of governors (including no CBC officials) supervise all broadcasting in Canada, that the CBC-TV monopoly in the larger cities be ended, and that the CBC be financed by a greatly enlarged system of subsidies. The Government would probably have taken such action as suggested in the first two recommendations, without any prompting from a Royal Commission; the third recommendation had been debated as an "alternative" even before the Commission was appointed.

It was concern about the future financing of the expanding CBC operations that brought about the Commission. Here was the main task: the examining of old ideas about the provision of money for the CBC and the unearthing of new ideas, in relation to what CBC operations should be.

What alarmed the Government was the CBC's expenditure in 1955-56 of $38.5 million. What Mr. Fowler and his colleagues suggest is a CBC expenditure of nearly $470 million in the next six years, beginning with $54.7 million in 1958 and climbing to $97.8 million in 1963. The money would be provided by the Treasury.

This is the easiest possible solution, and the orthodox one — to dip a little more deeply into the public purse. The result of such policy, of course, would be that sponsors of CBC programs would continue to be subsidized, the private stations would be expected to provide programs of equal merit in competition with the Treasury-backed colossus, and all Canadians would help to pay the entertainment bill. Something more constructive might have been expected of the distinguished members of the Commission.

Hes and Shes

PSYCHIATRISTS are beginning to take alarm at the "changing male role" in the modern home. In a paper read recently before the American Convention of Child Study, Dr. Irene Josselyn of the Chicago Institute of Psychoanalysis pointed out that the roles of men and women are becoming confused, and we are in danger of drifting into a world of she-males and he-females. The drift, she felt, should be checked, or at least more skilfully "utilized". The endangered male will probably have to find his own way out of the difficulty, without help from the psychiatrists. As G. K. Chesterton once pointed out, there are certain functions, such as blowing his nose, that a man can perform best for himself.

Great Uranium Mystery

AN UNHEALTHY smog of secrecy surrounds Canada's uranium policy. It is as unnecessary and as dangerous as the smog that hangs over our industrial cities, and it could be more easily dispelled. All that's needed is a breath of frankness from the Minister of Trade and Defence Production, C. D. Howe.

Canada will sell Britain $115 million worth of uranium. Mr. Howe says it's more than Britain actually needed. One official of the Crown marketing agency, Eldorado Ltd., said the amount was just what the U.K. wanted; another official said that it was all that Canada could supply and fill other contracts. Meanwhile, it was fairly obvious that Britain in fact would take a great deal more—possibly up to $500 million worth during the next five years.

There is a growing suspicion that Canada's sales to Britain are being decided as much by Washington as by Ottawa. How much uranium is being produced, how much retained in Canada, how much sold to the United States? Does Canada sell the uranium at cost, at a profit or at a loss? What are the terms of the agreement with the U.S. Atomic Energy Commission under which Eldorado buys uranium from Canadian producers?

These are only a few of the questions which must be answered. The information will not prejudice national security. It may greatly annoy the U.S. sufferers from the top-secret mania, but that is another matter. And if Washington is dictating what Ottawa shall do about security, Canadians should know about that, too.

ANSWER TO PUZZLER

Pete, 19; Pam, 15; Peg, 13.

Case for Profanity

AN ACQUAINTANCE of ours was disturbed recently to hear her five-year-old muttering "damn, oh damn", over some problem of construction with his Meccano set. "That's not a nice word, Joey," she pointed out. "It's not a nice word to hear," Joey said, on reflection, "but it's a nice word to say."

Lack of Laughter

PRIME MINISTER St. Laurent boobed when he wrote complaining letters to the CBC about the tone of some broadcasts. A man in his position cannot be the head of a government one minute and a private citizen the next — not without resigning; it is one of the responsibilities of his office. His political opponents were quite right when they attacked him for his error. But apparently they had no fault to find with *what* he said.

What Mr. St. Laurent objected to was the flippancy of some commentators in their discussions of serious matters — Canada's foreign policy, for example. His critics tacitly agreed; there is nothing funny about foreign policy. Indeed, it's likely that most of the Canadians who bothered to read about the dispute also agreed. One should not laugh about such serious matters as policy, prosperity, progress — in fact, there's little place for laughter anywhere except in acknowledged places of entertainment. Life is a serious business for Canadians. It's also pretty dull, for most of them.

The new car

More money to spend as you go along!

Canada Life representatives are chosen for their ability to understand today's changing problems. They're highly trained in all phases of Life Insurance . . . backed by more skilled and helpful services than you are likely to find in any other company.

To want a safe and dependable new car is understandable enough! But many a man is hard pressed to supply the things his family wants and needs while maintaining protection for their future and his own. So at Canada Life we've devised some reasonable plans that give you more money to spend as you go along . . . while still buying immediate protection *and* a guaranteed income in later life.

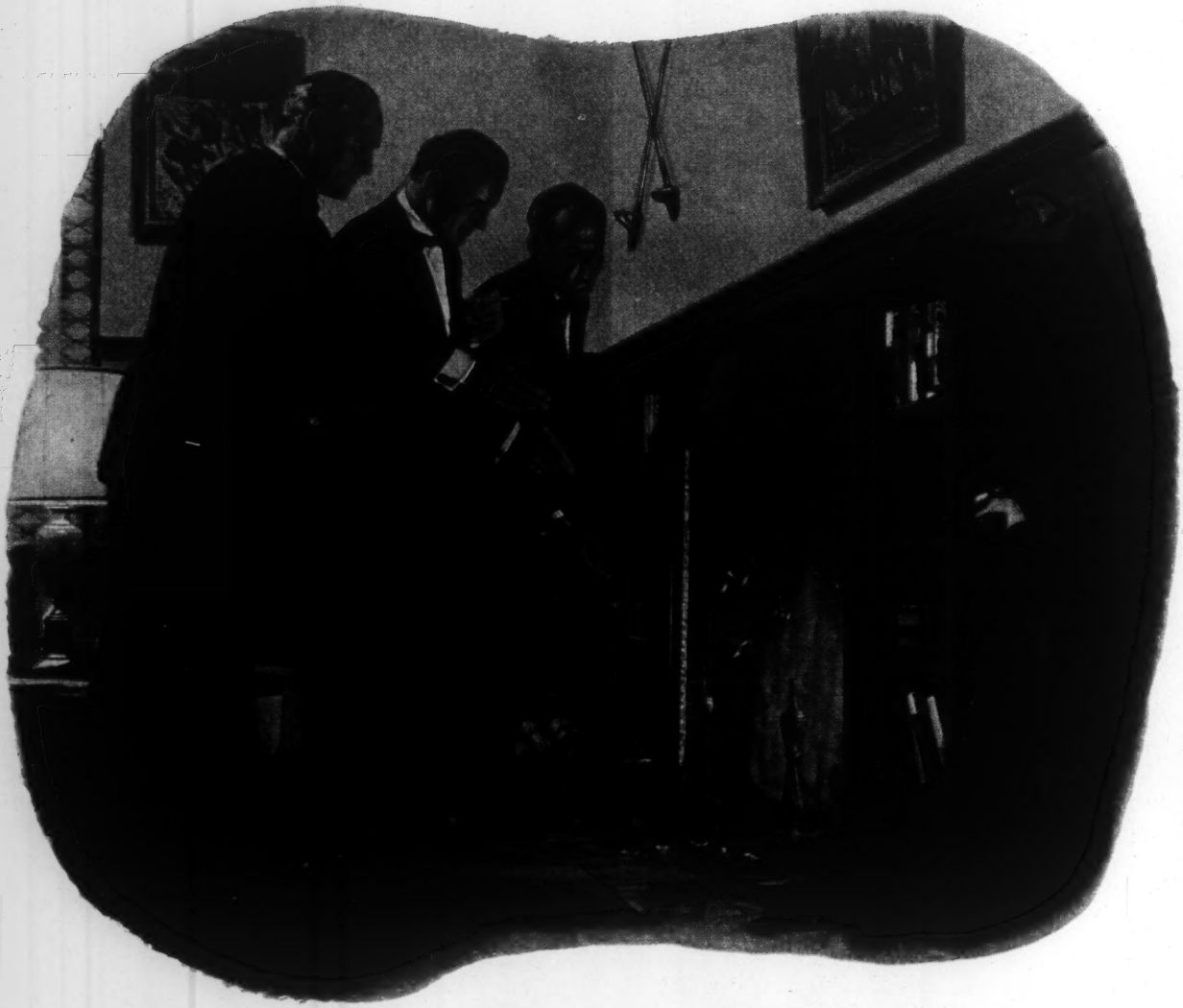
Any Canada Life man can explain how you can do this at a lower cost than by any other method. We feel sure you'll find it well worth investigating.

The CANADA LIFE *Assurance Company*

F-4733

ENJOY LIFE TODAY WHILE SAVING FOR TOMORROW

Time for an IMPERIAL *Toast*



Breaking the glasses after a toast is still a custom on occasions where men wish to honour a special person in an imperial manner. The glasses are often thrown in the fireplace... but in olden times the toaster emptied his glass and threw it over his left shoulder, "so that no less worthy toast may be drunk out of it"

Today...when friends honour each other in a toast, or get together for good fellowship, the choice is Imperial ... the fine whisky that is always worthy of the occasion...smooth, mellow and of truly Imperial quality.

IMPERIAL

CANADIAN WHISKY

IN THE DISTINCTIVE DECANTER

Hiram Walker & Sons, Limited

DISTILLERS OF FINE WHISKIES FOR ALMOST A CENTURY